FINANCIAL TIMES

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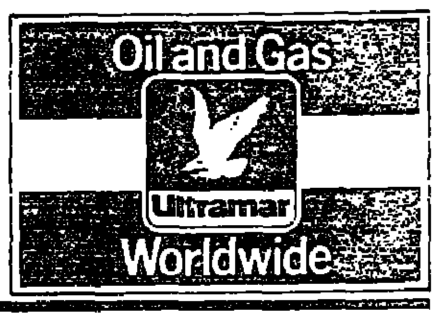

WORLD NEWS

US-Soviet summit hopes hit

The Soviet Union and the US yesterday failed to agree a date for a summit meeting between *President Reagan* and Soviet leader Mikhail Gorbachev.

Mr Gorbachev said he was not satisfied with progress towards an understanding on the US "Star Wars" defence plan, but still hoped to visit Washington this year. **Back Page**

Thatcher to visit Nigeria

Mrs Thatcher is expected to visit Nigeria, Britain's biggest black *African trading partner*, early next year, but will not visit southern African black states.

Senate rejects Bork

In a big defeat for President Reagan, the US Senate voted 58-42 to reject his nominee, Judge *Robert Bork, for the* Supreme Court.

Iran warns Kuwait

In a thinly-veiled threat to Kuwait, Iran warned of more strikes against Iraq's supporters in the Gulf war. **Page 2**

Sinn Fein victory

Sinn Fein won two West Belfast city council by-elections caused by the resignation of Alliance Party councillors.

Belgium frees fans

A Brussels court freed three of the 25 Liverpool football fans held in connection with the 1985 *Heysel Stadium riot. They are* expected to return home, but could still face charges.

AIDS funds boosted

The DHSS is to give an extra £6.5m to the North-West, North-East and South-East Thames health regions, which handle four out of every five AIDS cases in Britain.

Soviet generals killed

Five Soviet generals died in a helicopter crash on Monday, a Moscow military newspaper reported. **Page 2**

'Kidnap plot' pressure

Labour leaders will press Mrs Thatcher for a Commons statement on claims that British security services were involved in a plot to kidnap African National Congress leaders. **Page 4**

Heffer attacks Labour

The Labour Party is offering only "second-hand Thatcherism," said Labour MP and former party chairman Eric Heffer before *a socialist conference.* **Page 4**

Indian army deaths

A landmine planted by Tamil rebels blew up a lorry carrying Indian troops in east Sri Lanka, killing four and hurting six.

Greek wire-tap claims

Greece's Conservative and Communist parties united to accuse the socialist government of systematic wire-tapping of opposition telephones. **Page 2**

S Korea restraint call

South Korean opposition presidential candidate Kim Dae Jung called for restraint after *two days of violent incidents* at election rallies. **Page 2**

Record-beating

Starcross, Devon, drummer Rory Blackwell claimed a world record for playing 401 drums in 58.5 seconds.

Briefly...

ITN is to launch a night-time ITV news service next year.

Lino Ventura, French film star, died in Paris, aged 68.

BUSINESS SUMMARY

Financial support deal for Fokker

FOKKER, the financially troubled Dutch aerospace company, is to receive an estimated Fl *200m (£59m) to Fl 300m in financial* support from the Dutch Government and commercial banks.

The financing has *strings* attached, and could mean merging with a competitor and a strengthening of management. **Page 10**

UK GOVERNMENT published its 1987 Employment Bill with proposals for further trade *union reform and measures on* union discipline and cutting young non-trainees' benefits. **Back Page**

POST OFFICE chairman Sir Bryan Nicholson said the organisation had dropped its opposition to piecemeal privatisation. **Page 4**

SPITALFIELDS Development Group plans to raise a £315m bank loan facility - thought to be the largest such property financing in the UK - to help fund the redevelopment of the Spitalfields market. **Page 4**

EUROPEAN Community is investigating the alleged dumping of mechanical diggers in Britain by the Japanese construction equipment group Komatsu, following a complaint from EC manufacturers. **Page 2**

CONSUMER PRICES in the European Community rose 0.2 per cent last month over August, giving an annual inflation rate *of 3.2 per cent, said the EC data* office Eurostat.

GUINNESS, international drinks group, is very close to settling the legal action in which is it claiming £3.69m from stockbroker Tony Parnes, the High Court heard. **Page 3**

PROCTER & Gamble, US consumer products group, reported a 30 per cent increase in first quarter net *earnings* to $356m (£215.8m) and said it was to market a new anti-baldness potion developed by pharmaceuticals group Upjohn. **Page 10**

ALCATEL, French *telecommunications* group, is joining Nokia of Finland and AEG of West Germany in a consortium to manufacture mobile telephone equipment for the planned pan-European digital car radio market. **Page 10**

JARDINE STRATEGIC Holdings of Hong Kong dropped its $390m (£236.4m) bid for 20 per cent of US broker Bear Stearns, because of "recent developments" in the market.

MERRILL LYNCH *blamed* market volatility for its withdrawal of convertible bond issues which would have raised A$1bn *(£433m)* for Bell Resources, the mining and energy arm of Robert Holmes a Court's business empire. **Page 8**

***SAUDI INTERNATIONAL* Bank**, a London-based consortium bank, is cutting 31 of its 300 jobs and selling much of its problem Third World loans to shareholders to strengthen its financial position. **Page 4**

BESTWOOD, property and financial group chaired by Tony Cole, has built up a 5.47 per cent stake in Aitken Hume, anticipating *a takeover of the financial services group.* **Page 8**

WESTERN Motor Holdings, fast-growing motor dealer, paid £20.6m in cash and shares for Satra, a private company with the exclusive franchise to sell Soviet-made Lada cars in the UK and Ireland. **Page 8**

LONDON WEEKEND Television saw annual pre-tax profits jump 68 per cent to £23m, making it the third largest station in revenue terms after Thames and Central. **Page 8**

Dollar plunges as equity markets stay vulnerable

BY JANET BUSH IN LONDON AND RODERICK ORAM IN NEW YORK

- **Rumours of G7 meeting denied after dollar fall**
- **London FT-SE closes 38 points lower**
- **Wall Street up 0.33 after Tokyo fall**
- **Equity markets unimpressed by Reagan assurances**
- **Bank of England signals base rate cut**
- **UK trade deficit narrowed in September**

THE DOLLAR finally gave way to pressure yesterday after riding out a week of unprecedented turmoil in world financial markets, while equity markets remained highly vulnerable.

In an ominous end to an extraordinary week, the US currency fell two yen and three pfennigs in barely half-an-hour after rumours flashed through markets that the Group of Seven leading industrial nations would meet this weekend to lower their target for the US currency.

This was hotly denied by both the UK and US Treasuries, but *conditions on the foreign exchange markets* remained extremely nervous.

Meanwhile, the London stock market drew scant comfort from the Bank of England's signal to cut base lending rates by half a percentage point to 9.5 per cent and from a sharp narrowing in Britain's trade deficit in September.

In London, the FT-SE 100 index closed nearly 40 points lower, bringing the drop in the value of British shares over the week to 22 per cent. The continuing slump in London followed a sharp fall on the Tokyo stock exchange where the Nikkei index of leading stocks closed more than 1,200 points lower.

On Wall Street, the Dow Jones Industrial Average closed 0.33 points above Thursday's close at 1,950.76 as the sudden drop in the dollar helped dampen volatility and ended the week-long rally in US credit markets.

Although a G7 meeting in the near future has not been entirely ruled out, there is considerable reluctance to hold one while the markets are so sensitive. The feeling is that a meeting with no substantive results to offer the markets could be counter-productive.

Foreign exchange dealers in New York gave little credence to the rumour of a meeting, which appeared to start in Chicago's bond future pits, but said *it gave foreign* exchange markets a chance to vent their pessimism about the dollar.

The dollar had dropped sharply during European trading, closing in London at DM 1.7865 compared with Thursday's closing DM 1.8135 and at Y142.65 after Y144.60. In early afternoon trading in New York, the dollar was quoted even lower at DM 1.7775 and Y141.80.

Equity markets were left unimpressed by President Reagan's assurance on Thursday that he would personally attend a meeting with Congressional leaders on action to cut the US *budget deficit.*

In a radio interview yesterday, Mr Nigel Lawson, the Chancellor of the Exchequer, defended Mr Reagan's commitment to cutting the deficit. He said the president's statement on Thursday signalled a shift in his position and that *it was clear now that Mr* Reagan was prepared to accept the possibility of increasing taxes as part of a deficit-cutting package.

However, Mr Reagan later un-

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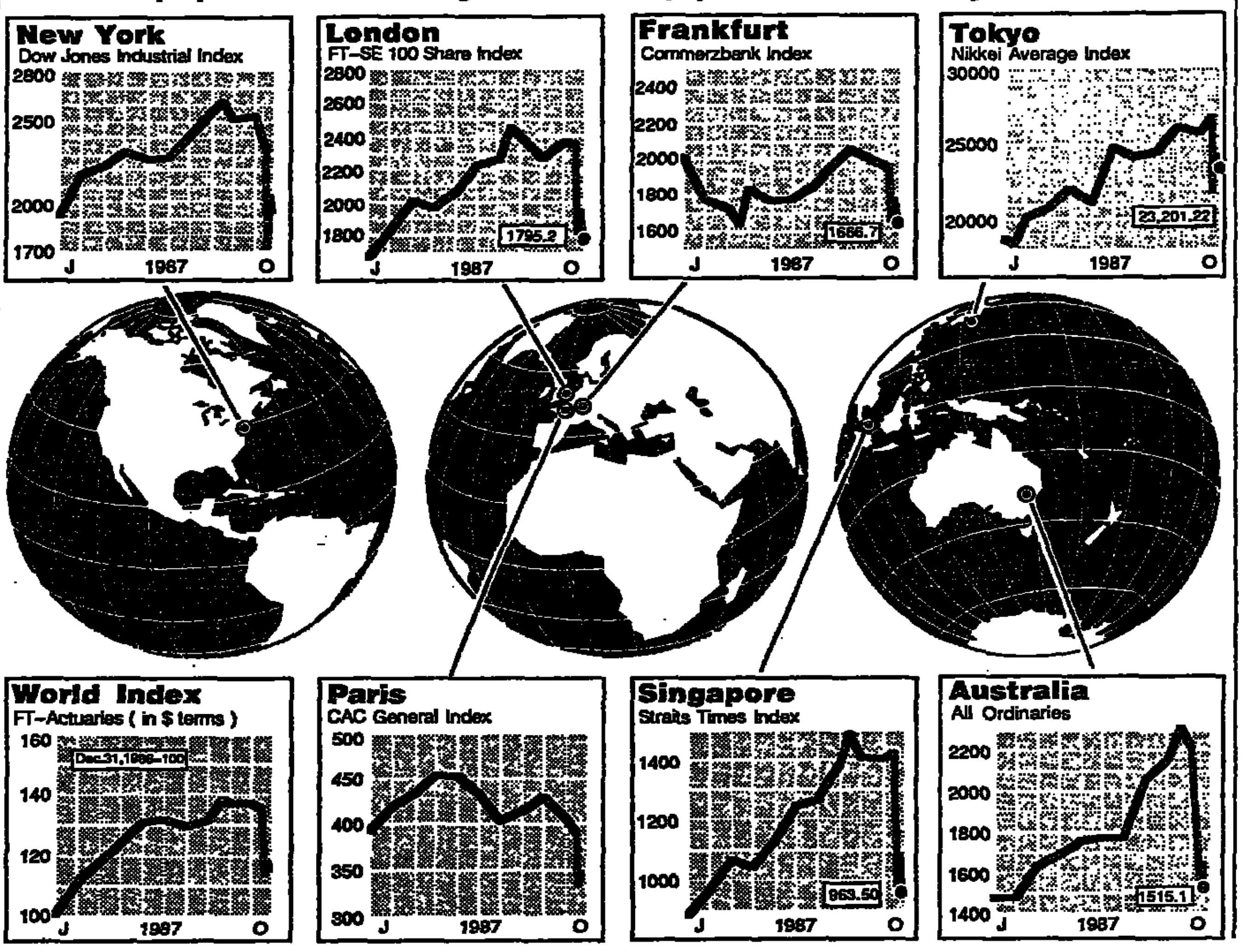
The hard questions, Baker overplays his hand, editorial comment, Page 6; markets in turmoil, Page 8; world index, Page 9; world bourses, Page 11; money markets, Page 12; London stock market, Pages 12 to 19; UK current account, US growth, Tokyo falls, Lex, Back Page



Piggott jailed for three years

By Ralph Atkins

LESTER PIGGOTT, the former champion jockey, was sentenced to three years in prison by Ipswich Crown Court yesterday for income tax and VAT fraud involving a total of more than £3m. His solicitor said *later that there would be no appeal.*

Piggott, 52, who won more than 5,000 races during a 37-year career, pleaded guilty to 10 charges brought by the Inland Revenue and Customs and Excise. They covered £3.18m undisclosed income dating from 1973, related to earnings from bloodstock transactions, shares in top racing horses, and payments from owners.

The income tax owed, excluding interest, amounted to £1.73m. A further £140,000 was owed to Customs and Excise.

Mr Justice Farquharson, sentencing Piggott, said he accepted that more than £3m had been paid to the tax authorities by the former jockey to settle outstanding amounts and other commitments. However, Piggott had acted dishonestly and consistently failed to reveal *fully his financial affairs to tax* officials, or even to his professional advisers.

Piggott retired as a jockey in *1985 to become a trainer. He* has been partly deaf since birth, and throughout yesterday's hearing he was silent, except to answer 'guilty' in a barely audible voice. Wearing a grey check jacket and a dark red tie, he showed no emotion as he was led away after sentencing.

Piggott received three-year sentences on three of the charges and two years on the remainder, all to run concurrently. He was ordered to pay £34,000 costs and a fine of £25,000. His company, L.K. *Piggott, which handles* Piggott's training activities, was fined £100 on each of the five offences with which it was involved.

Mr Anthony Hidden, QC, prosecuting, said Piggott deliberately and persistently *failed to disclose to the Inland* Revenue his income and the profits of his company. Tax inspectors investigated Piggott's financial affairs in 1970 and again between 1981 and 1983. After the second inquiry at least 17 undisclosed bank accounts, in various names, were discovered *in London, Dublin*, and Jersey.

Mr Hidden gave details of a letter dated December 1981, *sent by Mr Henry Cecil, the* trainer, to owners whose horses were ridden by Piggott. It outlined arrangements for ex-

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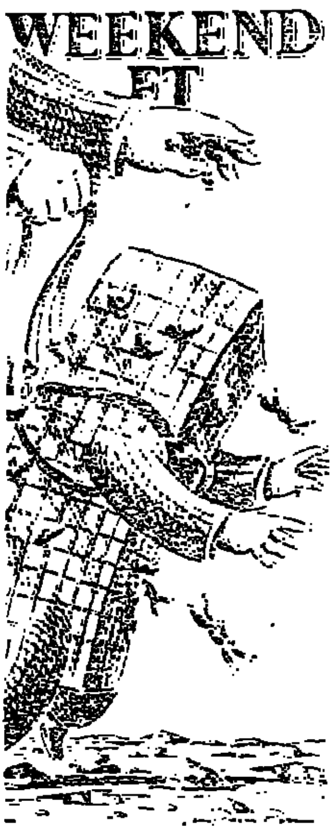
WEEKEND FT



A WEEK TO REMEMBER

In the wake of the worst stock market crash, Michael Prowse takes a sombre look at the causes, effects and implications

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- *World markets go wild*
- *A plain man's guide to the crash*
- *How it affects you*

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MOTORING

Motorfair's wheels and deals

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PROPERTY

Market catches up with developers

PAGE XII

BOOKS

London's richest library

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DIVERSIONS

Designs on interiors

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Reagan will not surrender SDI as summit hangs in the balance

BY STEWART FLEMING IN WASHINGTON

PRESIDENT REAGAN vowed yesterday that he would not give up the so-called Strategic Defence Initiative (Star Wars) which has once again emerged as the major stumbling block to a US/Soviet arms control accord.

However, in an interview only two hours *after Mr George* Shultz, his Secretary of State, had disclosed that he and Mr Mikhail Gorbachev had failed to reach agreement on a date for a Washington summit, Mr Reagan continued to express optimism about the prospects for an arms control deal.

"Well, yes, I am disappointed," Mr Reagan said. "We had agreed in 1985 (at the Geneva summit) that there would be two more summits - one in *Washington* in 1986 and one in Moscow in 1987."

The President, sitting in a high-backed chair in the Oval Office, his back to the empty fireplace, showed no sign of rancour or ill-will towards his Soviet negotiating partners.

The past week has been one of the most difficult of Mr Reagan's presidency. He has had to endure not only the anguish of his wife Nancy undergoing an operation for breast cancer, but also a spectacular crash on Wall Street and now Moscow's latest refusal to set a date for a summit which the president and his advisers had hoped would boost his political fortunes.

Asked whether he felt that Moscow was taking advantage of his political difficulties, Mr Reagan said, smiling, "Very perceptive". *He went on to point out* that Moscow watches Congress very closely.

However, the president refused to concede that the outcome in Moscow signalled a cooler period ahead for US/Soviet relations.

"I have to believe that there is an effort being made on their part as well as ours to make the cold war a little warmer," he said, disclosing that Mr Gorbachev *had sent flowers to the* White House for Mrs Reagan.

Mr Reagan said that he and Mr Gorbachev had agreed they had a great responsibility on the issue of whether there would be peace or war. "I have to believe that they want peace as much as we do. I think maybe they would like to win some advantages without war. I think they know from experience the high cost of modern war," Mr Reagan said.

Asked how he explained the Wall Street crash, Mr Reagan said that in part it was a long overdue correction, reflecting the fact that speculation had overpriced the market.

However, he conceded that "confusion about the fact that we seem unable to get together, the Congress and ourselves on *our budget deficit" had contributed* to it.

Pointing out that the market had stabilised - "the last I heard its about standing even," he said - the President insisted that "it's completely opposite from the Great Crash of 1929." He said that then, as the market collapsed, the Federal Reserve had tightened monetary policy: this time the Fed had immediately made the money supply *more liquid.*

Mr Reagan also that after the 1929 crash Congress had passed "a very protectionist tariff called the Smoot Hawley tariff."

So in 1929 the US had "done all the wrong things (while) we have just gone the other way". Mr Reagan vowed that if the trade bill now being considered by Congress "comes down (to me) the way they are talking about it, I will veto it. I would never support protectionist legislation."

CONTENTS

MARKETS

DOLLAR

New York lunchtime:
DM 1.7805
FFr 5.9595
SFr 1.47075
Y141.95
London:
DM 1.7865 (1.8135)
FFr 5.975 (6.05)
SFr 1.4775 (1.5055)
Y142.65 (144.6)
Dollar index 100.7 (101)
Tokyo close Y144.15

US LUNCHTIME RATES

Fed Funds 7¼%
3-month Treasury Bills:
yield: 5.32%
Long Bond: 97[illegible]
yield: 9.1%

GOLD

New York: Comex Dec latest
$476.4
London: $472.5 (471.5)

STERLING

New York lunchtime $1.683
London: $1.677 (1.65)
DM 2.995 (2.9925)
FFr 10.02 (9.9825)
SFr 2.4775 (2.485)
Y239.25 (238.5)
Sterling index 73.5 (73.4)

LONDON MONEY

3-month interbank:
closing rate 9¾% (10⅛)

NORTH SEA OIL

Brent 15-day *Nov (Argus)*
$19.00 (19.125)

STOCK INDICES

FT Ord 1,396.8 (−38.5)
FT-A All Share 930.33 (−2.4%)
FT-SE 100 1,795.2 (−38.0)
FT-A long gilt yield index:
High coupon: 9.64 (9.87)
New York lunchtime:
DJ Ind Av 1,944.3 (−6.13)
Tokyo:
Nikkei 23,201.22 (−1,203.23)

Chief price changes yesterday: Back Page

Austria Sch22; Bahrain Din0.650; Bermuda $1.50; Belgium BFr48; Canada C$1.00; Cyprus C£0.75; Denmark DKr9.00; Egypt E£2.25; Finland Fmk7.00; France FFr6.50; Germany DM2.20; Greece Dr100; Hong Kong HK$12; India Rup15; Indonesia Rp3,100; Israel NS3.50; Italy L1600; Japan Y600; Jordan Fils500; Kuwait Fils500; Lebanon $L125; Luxembourg LFr48; Malaysia Rin4.25; Mexico Pes300; Morocco Dh6.00; Netherlands Fl3.00; Norway Nkr8.00; Philipines Pes20; Portugal Esc100; S.Arabia Ris6.0; Singapore S$4.10; Spain Pta125; Sri Lanka Rup30; Sweden SKr8.00; Switzerland SFr2.20; Taiwan NT$85; Thailand Bht50; Tunisia Din0.800; Turkey L500; UAE Dh6.50; USA $1.00.
SELLING PRICE IN IRELAND 60p

EC dumping probe of UK Komatsu output

BY WILLIAM DAWKINS IN BRUSSELS

THE EUROPEAN Commission yesterday unveiled an anti-dumping investigation of mechanical diggers made in Britain by Komatsu, the Japanese construction equipment group.

This is the second time the authority has used a controversial new trade law designed to stop importers circumventing anti-dumping levies by setting up low-cost assembly plants in the EC.

The Committee for European Construction Equipment manufacturers, led by JCB, the British engineering company, had complained to Brussels.

The investigation is likely to provoke controversy between the UK public authorities, which helped Komatsu open a plant in the high-unemployment area of Birtley, near Newcastle, and the British companies that compete against Komatsu.

Grants from the UK Government, and Tyne and Wear County Council, covered £2m to £3m of the £12m initial costs of the plant, which started production a year ago.

Imported Komatsu excavators have been subject to 26.6 per cent anti-dumping levies since mid-1985. In July, the Birtley plant announced plans to add 100 to the existing 270 workers.

The aim was to lift production from 60 units per month to 100 by the end of this year, then to 200 in 1988.

This means Komatsu has fallen foul of at least one of the clauses of the new anti-dumping legislation, in that it started or stepped up EC assembly after the opening of the original inquiry into dumping of assembled imports.

The committee claims that Komatsu has infringed the other key condition, in that more than 60 per cent by value of the components used at Birtley comes from Japan. Komatsu denies this, and maintains that its UK-made machinery has a 60 per cent local content, which it plans to raise to 90 per cent by 1991.

If the commission finds in favour of the complaint, in its judgment during the next two to three months, it can extend the duties already being levied on assembled imports of Komatsu excavators to cover the Birtley plant's output.

Reform will make the party more responsive to the masses, **Robert Thomson** reports

China prepares for the next decade

ILLEGAL hawkers have been cleared off the streets, the city's few prostitutes rounded up, and several police stationed at almost every corner to prove to delegates to the 13th Congress of the Chinese Communist Party that law, order and cleanliness prevail in Peking.

The congress, beginning tomorrow, is intended to lead the party and the country into the next decade, through a rejuvenation of the leadership and the introduction of political reforms that will make the Party more responsive to the masses and better able to manage economic reform.

Those, at least, are the good intentions. The political reality is likely to be different. Even if numerous octogenarians and septuagenarians retire from the Politburo, it is clear they want an active retirement and will continue to influence party affairs. For instance, the President, Li Xiannian, has indicated his willingness to step down, but noted that he and his fellow-retirees must continue to play important roles.

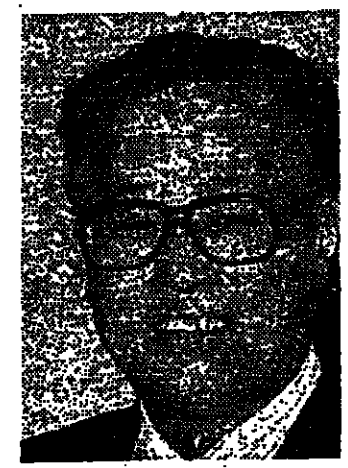
As for political reform, the grand visions of last year, when the separation of party and government were seriously discussed, have become a collection of compromises under the title General Ideas on the Reform of the Political Structure, which will be included in a work report to be delivered by the acting party general secretary, Zhao Ziyang.

The most certain of the political moves is the formal appointment of Zhao as party chief, while other changes are the subject of much speculation and have inspired sweepstakes in several foreign embassies. Rumours range from the return to grace of the former party chairman, Hua Guofeng, to the absolute fall of Hu Yaobang, removed from the party leadership in January.

Hua, so the rumour goes, will be elevated from his role as an ordinary central committee member to be vice-chairman of the influential central advisory commission. It will be remembered that a dying Mao Zedong allegedly wrote a note in which he said that with the ever-faithful Hua in charge, he would be "at ease".

The power of Deng Xiaoping, the paramount leader, will not be affected by title changes, though he could retire as chairman of the central advisory commission. He will continue to have the last word, and the number of retirements from the Politburo will provide a measure of his power.

Curiously, the People's daily carried a front page article noting that Zhao Ziyang had reverentially attended a ceremony to lay the ashes of Marshal Ye Jianying to rest. The marshal, who died a year ago, held on to power well into his 80s and remains a symbol of both the Long March tradition and the enduring influence of the elderly in chinese politics.



Zhao Ziyang

Deng Xiaoping

Zhao's action shows that the new generation of leaders must pay due respect to revolutionary heroes to ensure their own survival.

It is expected that the elite five-member Politburo standing committee will be overhauled, with the possible replacement of Hu Yaobang, Li Xiannian, Deng Xiaoping and Chen Yun, the senior conservative economist who is unlikely to allow the congress to pass without lecturing fellow-party members on the waywardness of reform and the "chaos" of the free market.

Mr Chen can point to an increase in inflation as evidence that central control needs to be tightened and will mention the danger of social unrest - a deep fear of older leaders - if inflation is not checked. Price rises are the talk of Chinese cities, with citizens writing letters to newspapers and complaining privately that the standard of living has fallen in the past year.

Zhao Ziyang will attempt to deflect criticism by stressing that inflation is caused by too little reform and not by too much.

However, even he will have to concede that industrial production has again run out of control, with a probable 15 per cent increase this year, double the planned figure and well above the 10 per cent Zhao has said would be acceptable.

The timing of the congress, held every five years, is unfortunate. Had it been a year ago, reformers would have been able to capitalise on an economy generally under control and on a mood of optimism about reform.

It is unlikely that much of the political infighting will surface during the congress's public sessions. The difficult retirement decisions have already been made and the party's work report has been under consideration for more than a year. While some debate will be encouraged for the cameras to give the impression of democracy, real power lies not with the majority of delegates but with a core of elderly leaders at the helm of the party.

CHINA'S official news agency has criticised a US decision to halt liberalisation of high-tech sales to China because of alleged Chinese arms sales to Iran, AP reports.

Xinhua News Agency said it "is not reasonable at all for the US to halt the review of relaxing controls of high-tech exports to China under the pretext of mounting tensions in the Gulf."

The response was China's first to a State Department announcement that it was freezing the types of high-tech items China can buy, apparently to show US displeasure over the alleged Chinese arms sales.

Five Soviet generals killed in air crash

By Patrick Cockburn in Moscow

A HELICOPTER crash has killed five Soviet generals, including the chief of staff of the Soviet forces in Hungary and the armed forces' deputy head of communications.

The military daily Red Star yesterday carried half a page of obituaries, saying they had died "in an aviation disaster on October 19."

It did not give the cause of the crash or where it took place but the fact that deaths are prominently reported is a departure from previous practice.

The most senior of the officers to die was Col.-Gen. Vladimir Shutov, deputy chief of the armed forces policy directorate since 1975. The dead also included Maj.-Gen. Erlen Porfiryev, chief of staff of the Soviet divisions in Hungary.

Greater openness about the deaths of the generals is in keeping with present government policy of limiting unnecessary secrecy where possible.

Brazilian motor strike spreads

by Ivo Dawnay in Rio de Janeiro

CAR PRODUCTION at Autolatina, the Brazil-based holding company that links Ford and Volkswagen, remained paralysed for the third successive day yesterday as the dispute spread to the company's truck and tractor sections.

Workers are striking for a 65.9 per cent pay rise. The dispute is estimated to have already cost the company Cz1.5bn (£17m).

The long-running crisis at Autolatina is largely blamed by the company on government intransigence over prices policy. Tax accounts for more than half a car's retail price.

Mr Wolgang Sauer, Autolatina president, this month stopped production and locked out staff in protest against government refusal to authorise a price rise of more than 10.84 per cent. The company had argued for 30 per cent to restore profitability.

S Korean poll restraint urged

By Maggie Ford in Seoul

MR KIM DAE JUNG, the South Korean opposition presidential candidate, yesterday issued a strong plea for restraint after violent incidents at election rallies in the past two days.

Police warned of a crackdown after two of the candidates, Mr Roh Tae Woo of the ruling Democratic Justice Party and Mr Kim Jong Pil, suffered minor physical attacks while campaigning.

Mr Kim Dae Jung urged those causing the disruption to exercise self-control so as not to jeopardise the country's move towards democracy. He also asked the Government to refrain from any action which would be seen as unfair.

Mr Roh's rallies have been the worst hit. On Wednesday in Mr Kim Dae Jung's home town of Kwangju, women whose husbands were killed in the 1980 uprising against Mr Roh's government threw tear gas canisters and eggs at him. On Thursday at two rallies in the same area he faced demonstrators who fought with party aides.

Britain 'to join EMS next year'

By William Dawkins in Brussels

BRITAIN will become a full member of the European Monetary System next year, a senior UK economist predicted yesterday.

Mr Christopher Johnson, chief economic adviser at Lloyds Bank, said he believed the UK would enter the exchange rate mechanism of the EMS "sometime in 1988, possibly under pressure from the existing members to make up its mind once and for all."

He was addressing the opening session of the first World Ecu Symposium in Antwerp, an event organised by the Ecu Banking Association in an attempt to promote wider use of the European currency basket.

The 10-day symposium is taking place alongside the annual European Community tennis championships, the EC's nearest thing to Wimbledon - with prize money in Ecu, of course.

Mr Johnson said Britain had been a "shadow" member of the mechanism since the start of the year, intervening to keep sterling within the Dm2.90 to Dm3 to the pound range.

But, he added, "if the pound comes under pressure as the UK balance of payments deficit widens over the coming years, a unilateral commitment of this kind will not be credible in the foreign exchange markets."

His words found an echo with Mr Willy de Clercq, the European Commissioner for external trade, who admitted to a "regret that the UK has not yet joined."

One potential disdvantage of membership for the UK, Mr Johnson said, was that the West German currency's domination of the EMS had meant that the other members had perhaps unwittingly adjusted to low German growth rates.

Italian pilots in row over Atr 42 crash

BY JOHN WYLES

A BITTER row broke out yesterday between Italian airline pilots and the manufacturers of the small commuter aircraft, the Atr 42, over the possible causes of last week's crash in northern Italy which cost the lives of 37 people.

Italian pilots were plainly alarmed yesterday by the statement issued by the Atr 42's manufacturers, Aerospatiale of France and Italy's Aeritalia, suggesting that the pilot was to blame for the disaster on October 15.

Without revealing their evidence, the manufacturers said that the aircraft was flying below the recommended speed in what were "extremely severe" icy conditions. As a result the aircraft had gone into stall and "no suitable action was taken to correct it."

The statement apparently had the backing of France's civil aircraft registration agency which added that there was nothing to show that an Atr 42, flown according to its flight manual, was not worthy of certification.

But yesterday spokesmen for one of Italy's two pilots associations, APPL, accused the manufacturers of rushing to conclusions.

Both pilots' associations are refusing to fly the Atr 42 until the causes of the accident are established. They are also suggesting that the fault may lie in the workings of the aircraft's anti-icing mechanisms - an assertion flatly denied by the makers who point to nearly 18 months' trouble-free operation in all weather conditions.

The contents of the crashed aircraft's black box have now been made known to the commission of inquiry set up by the Italian Ministry of Transport. The French and Italian manufacturers say they are confident this gives their design a clean bill of health.

However, Alitalia is keeping grounded the six Atr 42s operated by its subsidiary Ati.

Judge warns on Mafia

BY ALAN FRIEDMAN IN MILAN

JUDGE Giovanni Falcone, Italy's most determined anti-mafia magistrate, has issued a chilling plea for more help from the Italian state, warning that the revival of Mafia power in Sicily is now a fact of life.

Although the "maxi-trial" of 468 alleged Mafia dons, killers and financial men is nearing completion after 20 months, Judge Falcone said yesterday: "I must say in great bitterness that as far as the battle against the Mafia is concerned, things are returning to the old state of affairs."

The Palermo-based judge, who is Italy's most heavily guarded investigating magistrate, yesterday spoke out against what he called "a dangerous lowering of the guard on the part of investigating authorities."

He said he lacked support and resources from the Rome government for a battle against a criminal organisation "which is extremely complex and requires an adequate structure of state support."

The last few weeks have seen renewed feuding among Mafia clans in Sicily, which are said to be regrouping.

Reformer to head Polish planning

by Christopher Bobinski in Warsaw

MR ZDZISLAW SADOWSKI, a Deputy Premier who backs Poland's market-oriented economic reforms, has emerged from a government reshuffle, to be announced today, as the chairman of the Planning Commission, with his position strengthened. He is not a member of the ruling communist party.

However, the new Government, of which Mr Zbigniew Messner remains prime minister, retains politicians of conservative reputation in key posts. Mr Zbigniew Szalajda stays as Deputy Premier with responsibility for industrial policy, while Mr Wlodzimierz Gwiazda, till now Deputy Premier for foreign trade, is to be the new foreign trade minister.

Mr Jerzy Bilip, now managing director of the successful Polkolor TV tubes factory, who has led the attempt to make the electronics industry into a centralised concern, is to be the new, powerful Minister of Industry. His ministry has been formed out of four separate industrial ministries, as reformists have long been demanding.

The main victim of the reshuffle is Mr Manfred Gorywoda, a Deputy Premier and chief of the Planning Commission, who has been sacrificed to demonstrate the new Cabinet's will to follow reform policies.

Yesterday, Parliament approved two questions for a national referendum on the reform, to be held on November 29. Poles will be asked to approve the official economic reform programme (although it might involve difficulties over the next two or three years) and say whether they want it democratised.

Kuwait 'puts missile batteries into path of Iran Silkworms'

BY TONY WALKER IN KUWAIT AND RICHARD JOHNS IN LONDON

KUWAIT is understood to be moving Hawk missile batteries to Failakka Island in the northern Gulf directly in the path of any Silkworm missile launched by Iranian forces from the Fao Peninsula.

Iran, in a thinly-veiled threat against Kuwait, warned of further strikes against Iraq's supporters in the Gulf conflict.

Iran had vowed to strike back hard in retaliation for Monday's raid by US warships on Iranian oil production platforms in the central Gulf.

Addressing Friday prayers in Tehran, Ali Akbar Hashemi Rafsanjani, the powerful parliamentary speaker, said Iran was in possession of more effective 'invisible shots' and threatened to use them against Iraq's supporters.

It is still by no means certain that the missiles responsible for the strikes against the products carrier Sea Island City on October 16 and Kuwait's Sea Island terminal two days ago were Silkworms.

Despite the direct hit, damage to the facility is said to be not as bad as feared. If it had been caused by the missile designated by its Chinese manufactureres as the HY-2, the destruction would have been far worse, according to experts.

Moreover, if the vessel and terminal had been struck by a Silkworm, the missile would, if launched from the nearest Iraqi territory occupied by the Iranians, have been at the full extent of its generally rated range of 95 kilometres.

Last night Mr Don Kerr, of the Institute of Strategic Studies in London, suggested that a more likely weapon would have been a Sea Killer launched from a ship of the type supplied a few years ago by Italy to Iran. It has a 230-kg warhead and a range of 25 kms.

The Iranian navy also has Harpoon missiles bought from the US by the late Shah with 230-kg warhead and a range of 25 kms.

Although Iran has not officially acknowledged that it launched a missile strike against the Kuwaiti oil loading terminal on Thursday, remarks yesterday by the Iranian leadership reflect a buoyant mood in Tehran.

Sheikh Salem al-Sabah, Kuwait's defence minister, said on Thursday that the government was considering 'appropriate measures' to counter Iranian missiles.

Hitherto Kuwait's air defences have proved ineffective against the missiles generally believed to have been fired from the Fao Peninsula at the head of the Gulf about 95 kms miles away.

Kuwait is reported to be moving some of its US supplied Hawk anti aircraft missiles to Failaka Island, about 10 miles offshore, in an attempt to intercept incoming Silkworms which are relatively unsophisticated slow-flying projectiles based on a Soviet design.

Kuwait is reported to be considering whether to ask its western friends for assistance to improve its air defence capabilities. Local sensitivities about becoming too obviously reliant on the US are complicating the issue.

Meanwhile, a representative of the Kuwait Oil Tanker Company (KOTC) said there would be little, if any, interruption to oil supplies to Kuwaiti customers, following Thursday's attack on the Sea Island terminal.

Captain Tim Stafford, manager of Fleet Development in KOTC, said Kuwait was using alternative loading facilities inshore. It was also re-opening a 'single point mooring buoy' near the Sea Island terminal which is about 10 miles offshore.

The loading buoy has not been used since the early 1980s and will take about a week to bring back into commission. When it is functioning, it will restore Kuwait's export capacity to levels prevailing before Thursday's missile strike.

It is still unclear when the Sea Island terminal itself will re-open. Experts are still assessing the extent of damage to the installation's control room.

A Kuwaiti official has denied that his country would be forced to declare force majeure on some of its oil contracts. He said the emirate would be able to meet its commitments.

Kuwait, whose OPEC production quota is about 996,000 barrels a day, has reportedly been exporting up to 2m b/d in an effort to boost its stockpile held outside the Gulf in storage tankers moored off the United Arab Emirates.

The Gulf conflict appears to be jeopardising marine life just as much as human safety, writes Tim Dickson in Brussels. The US plan to send porpoises to find mines in the region attracted widespread publicity yesterday. But an even more alarming example of the dangers has emerged in Brussels. Red-faced Ministry of Defence officials admitted yesterday that an officer on one of the country's two minesweepers in the Gulf has been called home after ordering his crew to fire on a school of dolphins. The incident was being described yesterday as an unfortunate piece of target practice. The Defence Ministry commented: "Apparently they didn't hit anything."

Greek opposition attacks in 'wire-tapping' furore

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE'S conservative and communist opposition joined forces in Parliament yesterday in accusing Dr Andreas Papandreou's Socialist government of systematic wire-tapping of opposition telephone lines.

The House met in a special morning session to discuss the setting up of a parliamentary committee to investigate opposition wire-tapping allegations against OTE, the Greek telecommunications authority. The wire-tapping furore began 10 days ago, when, in attempting to make an outgoing call, Communist Party headquarters said they accidentally found themselves listening to the taped playback of an earlier telephone conversation.

Taking the view that the episode could only be the result of a bungled wire-tapping attempt, the Communists, backed by the conservative New Democracy party, demanded that a parliamentary committee investigate the affair. The opposition parties also called for the resignation of OTE's director.

Problems causing starvation remain, reports **Victor Mallet**, recently in Mekele

Ethiopia awaits return of the famine

YEMANE BERHE, a 37-year-old peasant farmer in Ethiopia's Tigre Province, is not a happy man.

In the evening sunlight outside the provincial capital, Mekele, he and his friends are threshing by hand a miserable crop of barley from his two-hectare field, and it is becoming obvious that his tiny mound of grain is not going to get any bigger.

"My choice," he says, "is to wait for the government to help or to go somewhere else to find food." He has nine children and five other dependent relatives to feed, but the harvest is of poor quality and the amount scarcely makes up for the seed he has sown.

The effects of this year's drought in Ethiopia are clearly visible from the air. The green hills around Addis Ababa give way to parched, brown highlands as you fly north. Tigre is thought to have suffered 70 per cent crop losses, while some parts of Eritrea to the north will harvest nothing at all.

Three years ago, during the famine which killed hundreds of thousands of Ethiopians, Mekele was one of the towns where the hungry came to get help or to die. The tents and shelters have gone now, but the problems which caused the famine remain. Aid workers and Ethiopian officials in Mekele are preparing once more for a huge relief effort.

"If the grain comes on time to our region, the disaster will be less and nobody will die," says Mr Habtu Tewolde, who heads the Mekele office of the government's Relief and Rehabilitation Commission. "In 1984-85, the people of the world didn't respond quickly and we didn't have any reserve food."

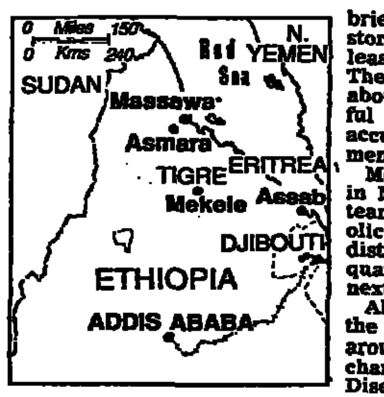
Mr Habtu estimates that about 1.5m of Tigre's 2.6m people will need help in 1988, much the same number as in 1985. "The area is not fertile. It is overpopulated. It suffers from soil erosion," he says, expressing the hope that the controversial resettlement programme to move peasants onto better land further south, suspended in 1985, will resume soon. "People can't live here with such difficult problems year after year."

Outside Mekele, hundreds of trees have been planted in an attempt to replace the area's lost woodlands.

"Food-for-work" programmes are under way and swarms of peasants are scurrying to a fro with wheelbarrows to build one of a series of earth dams for watering cattle and for irrigation.

Drought and soil exhaustion are not the only difficulties. It is virtually impossible for government officials to work outside Tigre's main towns because of a guerrilla war waged by some 5,000 fighters of the Tigre People's Liberation Front (TPLF) since the 1970s. The government and the rebels both espouse Marxist ideology, but the TPLF wants more autonomy for Tigre.

Mekele is a highly militarised area. Soviet-made helicopter gunships share the airstrip with relief planes from the International Committee of the Red Cross (ICRC), and armoured cars roar past camels and long-horn cattle ambling along the dusty roads.



Patients at the town hospital are sometimes removed from their beds to make way for wounded soldiers.

Basic supplies come to Mekele by convoy. Rebels attacked one recently on the road to Asmara in Eritrea and destroyed 15 trucks. In Mekele's hotel, where the waiters wear bow-ties and grubby white tuxedos, such matters are not discussed even in whispers for fear of government informers.

But visitors can hardly fail to notice that the people who have walked for hours, sometimes days, from their villages to collect food in Mekele, are mostly the old, the women and the children. Many young men are either fighting for the rebels or evading military conscription.

In February 1986, the TPLF briefly entered Mekele and stormed the main prison, releasing hundreds of detainees. Their subsequent evidence about torture proved to be useful ammunition for those who accuse the Ethiopian government of human rights abuses.

Meanwhile, the aid workers in Mekele, including an ICRC team and a pair of Italian Catholic priests, are preparing to distribute greatly increased quantities of food aid over the next year.

Above all, they want to avoid the huge camps and shelters around the main towns which characterised the last famine. Diseases spread more easily, relief operations are more expensive and people become more dependent on aid than ever. "We don't want any more of these awful camps," says Mrs Claire Fresard of the ICRC in Mekele. "We don't want people to leave their homes. That is very important."

The idea is to allow the needy to come to a collection point, pick up a month's supply of food, and return home confident they will be able to obtain more food when supplies run out.

Early warnings show that food is becoming scarce, and there are signs that malnutrition is increasing among those who seek medical help in Mekele. ICRC representatives who fly into Tigrean towns on market days to monitor the situation are reporting higher grain prices and lower cattle prices, indicating a shortage of grain and a trend towards selling cattle to buy food.

Aid dependency remains a real danger. Mr Habtu accuses some peasants of forgetting already the famine of three years ago and splashing out with last year's good harvest on marriages and other feasts. "They don't store, they don't have the culture, that's our problem," he says. "They know that if the drought is going to affect them, the government will help them."

A balance obviously has to be struck. "If we bring food too early, we ruin the market," says Mrs Fresard. "If we bring food too late, then we have skeletons."

If the West donates enough food to keep Ethiopia from starving in 1988, the main obstacles facing the relief operation are likely to be logistical. Up to 100,000 tonnes of food a month will have to be shipped to the Red Sea ports before being taken by lorry to distribution points around the country.

A recent study by donor organisations has concluded that the ports of Assab and Massawa are in a worse condition than during the last famine and that £31m is required to rehabilitate Ethiopia's transport systems.

The report says there is a shortage of 300 trucks in the north and recommends the purchase of 100 new trucks together with the transfer of 200 from the south. The government has simply asked for 360 new trucks.

"The donors," says Brother Cesare Bullo, head of the Catholic secretariat in Mekele, "are not too much interested in development. If you ask for lorries and tractors it's very difficult to get any. Ask for relief food and you get it right away. Maybe there is a surplus."

Turkey raises prices to cut budget deficit

TURKEY has raised prices on a range of goods, from imported cigarettes to cement, to help curb inflation and cut a ballooning budget deficit, **Reuter reports from Anakara.**

Energy charges are expected to be among those increased after the general election on November 29, which Turgut Ozal, the Prime Minister, is widely tipped to win.

Indian army moves on rest of Jaffna

INDIAN troops pressed gingerly yesterday to extend their control over all of Jaffna City having captured most of the town of twisting streets after prolonged street to street fighting, **writes Mervyn de Silva in Colombo.**

Meanwhile, Tamil guerrillas attacked an Indian army patrol near the eastern city of Batticaloa. Three Indian soldiers and three Tamil rebels were killed in an ambush at coastal village near Batticaloa, an Indian diplomat in Colombo said.

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Nick Bunker reports on a large company's efforts to deal with the aftermath of last week's storm

Blowing the cobwebs off thousands of insurance policies

WHEN TREES groaned, swayed and toppled in the grounds of a country house hotel in Suffolk, Sun Alliance knew it faced a catastrophe.

It was the night of October 15-16. The wildest storm to hit Britain this century had crossed the Dorset coast, and was sweeping eastwards and northwards over the Thames and into East Anglia.

Mr Roger Taylor, UK general manager of Sun Alliance, which insures about 20 per cent of British householders with mortgages, was surrounded by his senior executives in the Belstead Brook Hotel near Ipswich.

They had adjourned there at midnight, after gathering in the town to open a regional office.

Then the wind blew, said Mr Norman Webb, one of the executives, and "trees began to crash."

He said that by the morning of Friday 16 "we knew we had a disaster on our hands."

Soon, the hurricane was heading for a place in the annals of the British insurance industry, alongside some of the great catastrophes of the past: the Tooley Street warehouse fire in Southwark, London, which cost £2m in 1861, and the biggest insurance story of them all: the San Francisco earthquake and fire of 1906.

Early guesses that the total cost to insurers might be £1bn were quickly disowned by the industry.

Sun Alliance had been notified of 40,000 storm damage claims by Wednesday evening, but it said it would take weeks to reach a meaningful estimate of the total cost of all the dislodged and broken tiles, shattered cars and broken windows.

There is no clear sign yet of whether it will reach the £810m cost to insurers of Europe's biggest recent weather disaster, the Munich hailstorm of July 1984.

However, there was not a trace of panic at Sun Alliance this week - in spite of its lack of catastrophe reinsurance, which means that it will be hit harder financially than Britain's other big composite insurance companies.

The company's managers see the hurricane - like the San Francisco earthquake - as an opportunity to show how quickly and easily one of Britain's big insurers can meet its commitments.

"Wouldn't you be invigorated? This is what we are trained for," said Mr John Spink, aged 48, and 29 years with the company, who is bearing the brunt of the storm as personal insurance manager for south-eastern England.

"Our staff - who have been tremendous - understand that this is what insurance is all about. We have been in business since 1710, and we have always done our duty. We are going to prove that we will do the best for our policyholders."

Trevor Humphries

Staff at the Sun Alliance office in Croydon, working on the insurance claims from last week's storm

The group paid its first claim in the south-east - £20 for dislodged roof tiles - on Monday afternoon, and Mr Spink's staff had paid 40 more by mid-week.

The first moves were on the morning of the storm. At 8am, Mr Taylor called a "council of war" in the Suffolk hotel, before heading for Ipswich to begin telephoning around the group's branch network.

His lieutenants struggled back to Horsham, Sussex, the group's UK operational headquarters, to start implementing emergency plans.

Besides news reports, there was a clear sign of the extent of the storm damage: power cuts had caused the group's main computer centre at Lennox Wood, near Horsham, to switch to its emergency generators.

At Horsham, Mr Webb's first task was to take page advertisements in three national newspapers. "We tried for more, but couldn't get the space," he said.

The advertisements told policyholders how to make claims and gave them the addresses of nine emergency claims offices.

Head office managers had to issue policy guidance about general issues such as how Sun Alliance would treat claims for damage to freezer contents caused by power failures.

In the group's Croydon office, the regional headquarters for Kent, Surrey, Sussex and south London, staff ordered 5,000 claim forms.

At his home in Hassocks, Sussex, Mr Spink had to saw through fallen logs before he could get to work. The first day was to be "absolute murder," he said.

About half the 40 regular household claims staff based at Croydon reached the office, to be confronted by telephone calls which he said were coming so fast "you just couldn't log them."

On Saturday, 5,000 telephone calls were recorded at Horsham. On Monday afternoon, British Telecom engineers found that 51 calls per minute were trying to get into the Sun Alliance switchboard in Croydon.

By then Mr Doug Schofield, regional household insurance manager, had reorganised his staff into teams and was seeking head office permission (which was quickly granted) to hire temporary help and put in an extra 20 video display units.

There have been horror stories. On Monday, the Croydon office learned it might have to pay £750,000 for the total loss of a block of flats in Dorset. There was a possible £30,000 claim for a house blown over a cliff.

But as the week went on some of the worst fears receded. "It's not as bad as we thought it was going to be - though it's still very bad," said Mr Schofield.

The £750,000 Dorset claim had shrunk to £100,000 by Thursday lunchtime. By Wednesday morning, Mr Schofield had received only between six and 12 claims for more than £25,000 each.

Three things have eased this week's problems. The hurricane followed several bad winters and gales on March 29, which had given Sun Alliance experience in coping with a rush of claims.

The March storms meant that at one point this spring the Croydon office was paying 500 claims a day, though Mr Schofield thinks the hurricane could set a record of 1,000 a day.

For a year now, Sun Alliance has had a computer system which enables staff in regional offices to authorise claims payments, then prints and despatches the cheques - cutting as much as four or five days off the time taken for them to reach policyholders.

Third, Sun Alliance, setting an example which is being followed by Royal Insurance, its biggest rival, has been concentrating administration at 11 regional centres, such as Croydon, which has nine branches functioning mainly as sales offices.

There have been few claims so far from householders covered under the huge "block policies" arranged via their building societies - which is one reason why early estimates of the total damage costs have been so tentative.

Block policy claims are expected to start arriving at about the end of next week.

Garden festival contract awarded

By Anthony Moreton, Welsh Correspondent

A £4.5m contract for the main land reclamation work on the 1992 garden festival in Ebbw Vale, Gwent, South Wales, has been awarded to DMD, a Cardiff concern.

The work involves reclaiming the site of part of the derelict steelworks.

The Ebbw Vale garden festival will be the UK's fourth, the others having been held in Liverpool, Stoke-on-Trent and Glasgow. It might also be the last because the Government has not given the go-ahead for any more.

The festivals aim to promote an area in social and economic terms

Mr Peter Walker, Welsh Secretary, yesterday decribed the contract as "a major step in transforming a site of classic industrial dereliction into a major asset which will bring benefits not just to Ebbw Vale but to the rest of Wales."

The Welsh Development Agency, which allocated the contract, is to spend nearly £11m preparing the site for what it hopes will be millions of visitors in the summer of 1992. Work under the present contract includes removing tips, creating a lake and planting 50,000 trees.

Guinness 'close to settling Parnes suit'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

GUINNESS, the international drinks group, is "very close" to settling the legal action in which it is claiming £3.69m from Mr Tony Parnes, the stockbroker involved in the Guinness affair, the High Court was told yesterday.

Mr Justice Walton continued until Tuesday injunctions freezing Mr Parnes' assets in England and Wales, up to £3.69m.

Mr Richard Field QC, for Guinness, said that it was seeking continuation of the orders - originally made on October 3 - only until Tuesday because it hoped that by then negotiations that had been going on for some months would have resulted in a settlement.

Guinness wanted to ensure that it could "negotiate with the protection of the injunctions," Mr Field said.

The judge remarked that a proviso in the orders allowing Mr Parnes £250 a week living expenses "appears to be somewhat mingy for a person of Mr Parnes' habits of life," adding that it presumably would not matter while Mr Parnes remained where he was at present.

Mr Parnes is in custody at the Terminal Island detention centre in Los Angeles, California, awaiting extradition proceedings being initiated by Scotland Yard detectives investigating the Guinness affair.

Guinness is claiming from Mr Parnes £3.35m paid by Guinness to Pictet et Cie, a Geneva bank, on July 1 1986, and £340,000 paid at about the same time by Cifco - Compagnie Internationale de Finance et de Commerce - a Swiss company, for Mr Parnes' benefit.

The £340,000, was, Guinness claims, paid to Mr Parnes out of £1.94m which was paid to Cifco by Guinness by a cheque dated July 1, 1986.

Greenwell moves to stem loss of staff and work

BY CLIVE WOLMAN

GREENWELL MONTAGU Securities, the troubled institutional equities subsidiary of Midland Bank, has taken a series of steps to stem the loss of staff and business since July, when Midland rejected an offer to buy the firm.

More than 25 professional staff, including Mr Keith Brown, the managing director, and his deputy as well as a number of other former partners, left the firm during the summer. The resignations raised doubts about the survival of the firm, which used to be one of the most highly-rated stockbrokers.

However, last week, Mr John Finch, the new managing director, persuaded one of the partners who resigned, Mr Ernest Fenton, to rejoin as international director.

Mr Fenton said he was persuaded to return by moves to revitalise the firm, in particular the efforts to build up an international equity business by developing links between Greenwell's London office and other Midland and Greenwell stockbroking firms around the world.

Mr Finch said the volume of commission business had picked up sharply from its early August nadir, when many long-standing clients refused to deal with the firm.

However, the volume was still below that in June and well below that in February, shortly before the firm was forced to withdraw from market making in the UK.

Mr Ian White, whose team of analysts at Greenwell was voted the top-ranking performer in the health and household products sector in the Extel survey last week, has been appointed head of equity research.

Turkey is fastest growing package holiday centre

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

TURKEY has emerged this year as the fastest growing package holiday destination as "yuppie" travellers have identified it as the latest "in" place.

Its rapid growth has taken the leading tour operators by surprise.

Horizon Holidays, one of the top three, has just trebled the number of Turkish holidays it has on offer next summer.

Pickfords Travel, one of the leading travel agency chains, said yesterday that it had had a "meteoric rise in interest in Turkish holidays this year."

However, the market leader in this field is Sunmed, which was one of the first tour operators to organise package holidays to the Turkish coast.

From selling 9,000 package trips to Turkey in 1986, it sold 45,000 this summer and plans to sell 70,000 next year.

Mr Vic Fatah, managing director of Sunmed, said: "We sold twice as many as we had planned this year, so we may be taken by surprise again next year."

Sunmed's success with developing Turkey as a holiday centre this year put it in a position to effectively take over British Airways' loss-making holiday subsidiary, BA Holidays, earlier this month.

Sunmed and BA's tour operators Enterprise, Sovereign, and Flair, will continue to operate independently under the new merged company, to be called Redwing Holidays.

Turkey's popularity this year is attributed to two factors. First, it has attracted holidaymakers - especially young, affluent professional people - who have become jaded with the beaches of Spain and Greece.

Mr Fatah said: "Turkey is like the Greece of 10 years ago. It appeals because there is a touch of the exotic and unknown, as well as sunshine."

The second factor behind Turkey's popularity has been the wider availability of cheap charter flights, which has made its prices competitive with other Mediterranean destinations.

In addition, the Turkish authorities have been determined not to let tourist development spoil the country.

"While there is a massive amount of building going on, the Turks seem to understand the importance of preserving their country," added Mr Fatah.

However, Turkey's new-found popularity is unlikely to threaten immediately the established short-haul sunshine destinations for package holidaymakers.

Spain remains the leading package holiday destination, followed by Greece and Italy. However, many in the travel trade expect Turkey to overtake Italy either next summer or the year after.

Post Office alters attitude to sale

BY DAVID THOMAS

THE POST Office has dropped its opposition to piecemeal privatisation, Sir Bryan Nicholson, the new chairman, disclosed yesterday.

The Post Office said last year that it should be privatised either as a whole or not at all. However, Sir Bryan, speaking on his first day in office, described this position as out of date.

He was referring to a statement by the Prime Minister ruling out the privatisation of the Royal Mail, but not that of the rest of the Post Office's activities, mainly its counter operations and National Girobank subsidiary.

The Post Office had argued that all its activities were interdependent. However, Sir Bryan said it would be possible to separate the counters and Girobank from the letters and parcels business.

He stressed that he had received no firm indication that ministers were planning the privatisation of counters or Girobank, although he believed the Department of Trade and Industry had been studying the implications of the Prime Minister's statement.

He warned that the Government would be almost certain to remove the Post Office's monopoly if industrial action disrupted the mail. The Union of Communication Workers, the main postal union, yesterday began an industrial action ballot over a claim for a shorter working week.

The Post Office is prepared to resume negotiations with the union at any time and has not ruled out talks while the ballot is taking place.

Sir Bryan, describing the letter monopoly as a privilege not a right, said the Government might remove the monopoly in London if unofficial disputes continued to disrupt mail in parts of the capital.

Sir Bryan, who will be paid a performance bonus of up to 18 per cent of his undisclosed basic salary, said that providing an exellent service was his key aim. He mentioned reliability of first class letter delivery and reducing counter queues as areas of particular concern.

He has ordered an urgent review of whether the Post Office can measure delivery performance from time of posting to time of delivery, rather than from arrival in the sorting office to arrival in the delivery office, which is the present system.

Sir Bryan said he was keen for the Post Office to offer new services. He mentioned electronic mail and a service mid-way between ordinary letters and the premium Datapost service as possibilities.

He disclosed that the Government was in the early stages of reviewing whether to allow the Post Office to offer more counter services, which could be done by changing the articles of association of the counters business.

Sir Bryan Nicholson: monopoly a privilege

Compact disc maker cuts jobs

By David Thomas

NIMBUS, the UK's largest compact disc maker, is cutting its workforce by more than a quarter in a drive to make itself more efficient in the face of intensifying competition.

The company is to shed 140 jobs at its headquarters in Monmouth, Gwent, South Wales by closing its manufacturing operations there and concentrating production at its other plants in Cwmbran, Gwent, and Virginia, US.

Nimbus shed 100 workers earlier this year

BT tackles vandalism with cashless callboxes

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

PLESSEY, the telecommunications group, is to supply British Telecom with a cashless public telephone system aimed at reducing callbox vandalism.

The £7m contract was announced yesterday with a £16m deal to supply BT with 10,000 public payphones and parts for the modernisation of the public network. BT has ordered more than 158,000 of Plessey's modern callbox units.

The cashless system will allow people to make calls from public payphones by using a personal account number, which they can feed into the system automatically.

Yesterday's agreements will help BT combat recent heavy criticism of the quality of its payphone service.

The company is trying to modernise the service as quickly as possible, while reducing vandalism of the call boxes.

Saudi bank to shed 10% of staff

BY Alexander Nicoll

SAUDI INTERNATIONAL Bank, a consortium bank based in London, announced last night that it was making 10 per cent of its 300 employees redundant and selling a substantial part of its problem Third World loans to its shareholders.

The 31 employees leaving the bank are all in London and are spread across its operations. Saudi said that it was not withdrawing from any of the markets in which it operates.

The bank is half owned by the Saudi Arabian Monetary Authority, with 20 per cent owned by Morgan Guaranty Trust of the US and the remainder spread between two Saudi and five other banks. It services Saudi trade but is also a participant in its own right in international financial markets.

The transfer of the loans underlines the problems faced by consortium banks which have a relatively high proportion of their assets concentrated in Third World countries which have faced debt problems for the past five years.

The bank did not disclose the size of the portfolio which it was transferring to shareholders, but said the loans were to countries which have rescheduled debts and that they would be transferred in proportion to individual shareholders stakes. The transfer price will be set later this year.

The bank said the transfer would strengthen its financial position and considerably reduce its exposure to troubled debtors. It has £181m of capital representing 7.5 per cent of its assets, bolstered earlier in the year by a £27.5m increase by shareholders.

Spitalfields developers seek £315m bank loan

By Andrew Taylor

PLANS TO raise a £315m bank loan facility to help fund the redevelopment of London's historic Spitalfields market were announced yesterday by the Spitalfields Development Group.

Kleinwort Benson, the merchant bank, which together with Goldman Sachs, the securities house, is seeking to arrange the bank facility, believed it would be the largest property financing of its kind in the UK.

Mr Patrick de Pelet, Kleinwort's corporate finance director, said a number of leading international banks had been approached to underwrite and lead manage the £315m facility. Test soundings had been encouraging.

Spitalfields Development Group represents a partnership between property developers London and Edinburgh Trust, Balfour Beatty Developments and County District Properties, a susbisidiary of Costain, the construction group.

The three propose to invest about £150m in the project, which could cost about £460m.

Spitalfields represents one of Europe's biggest inner-city development sites. The group proposes to build 752,000 sq ft of offices in three large blocks and three smaller buildings.

There are also plans for 124,000 sq ft of shopping and 77,000 sq ft of homes, including more than 100 homes for housing associations. Open space, a large public building and accommodation for small businesses are also planned.

The scheme, approved this week by the City Corporation, which owns the site, is expected to take up to 10 years.

Because the market was established by Royal Charter, a private bill will have to be approved by Parliament before the scheme can go ahead. Spitalfields Development Group plans to rehouse the market at Temple Mills, Waltham Forest, in north-east London.

The new facilities must be completed before redevelopment of Spitalfields, on the eastern fringe of the City, can get under way, probably in about two years.

No referral for MFI buyout

THE ACQUISITION by Maxirace, a management buyout vehicle, of the MFI furniture group and Hygena, its principal supplier, is not to be referred to the Monopolies and Mergers Commission, Trade and Industry Secretary Lord Young has decided.

MFI is being bought from Asda-MFI, the retailing group, and Hygena from its co-founder, Mr Malcolm Healey.

Buyers drive motor industry to improve its quality of service

John Griffiths on schemes to persuade dealers to meet drivers' demands

BMW'S wholly-owned UK importer is still not satisfied with service to customers and is to launch an incentive scheme for its 150-strong dealer network early next year, says Managing director Mr Paul Layzell.

However, BMW executives say the initiative is not being taken because the company has any particular customer-satisfaction problems relative to other franchises.

Rather, the move is a recognition of rising customer expectations, according to Mr Tom Purves, sales director.

Awareness of higher expectations is percolating through the retail motor industry at an increasing rate. It is fuelled by more intense competition and sharply reduced willingness among motorists, particularly business users, to spend time at dealerships because of service or repairs.

The industry has also been prodded by reports from consumer groups and trading standards officers which remain severely critical of some aspects of the motor trade.

BMW customers are to be questioned quarterly about their satisfaction with service. Dealers will receive assistance from BMW (GB) to prepare the scheme. They will also receive bonuses, of unspecified amounts, according to customers' rating of their performance.

Up to half of each dealer's customers will be asked to complete a questionnaire rating the dealer's performance on 36 aspects of customer satisfaction, and rank their importance.

Bonuses would start above a 70 per cent satisfaction level, although precise thresholds would vary.

As part of the satisfaction drive, BMW is to cut more parts prices. In August BMW cut the retail prices of some key parts by between 10 per cent and 45 per cent to counteract what it admits is a fairly widespread impression that its cars are expensive to service and maintain. The cut was intended to help dealers sell more used cars and to keep customers coming back to franchised BMW dealers for service.

Broadly similar action has been taken by Volvo Concessionaires, the Lex Service group-owned Volvo importer. It recently cut parts prices by an average of 20 per cent on Dutch-built models and 6 per cent on those from Sweden. Last year Volvo Concessionaires launched "lifetime care", which gives virtually a lifetime warranty against defects in its cars as long as they are serviced by a franchised Volvo dealer.

It has removed the franchise from 66 dealers, about a third of whom, according to chief executive Mr Philip Payze, had "attitudinal problems".

BMW and Volvo have enjoyed sales which have grown far greater, proportionately, than the size of the dealer network. Higher levels of investment and improved service standards from individual dealers are seen as a return for the increased throughput per dealer.

Service upgrading is not restricted to executive car-orientated franchises. Ford has been offering vehicle 'lifetime' guarantees on repairs, apart from normal wear-and-tear maintenance, for some time and was a pioneer of optional extended warranties up to the end of the third year of a vehicle's life.

Mr Loic Caperain, managing director of Renault (UK), points to a cut of one-third in its dealer network as an illustration of his company's shift in emphasis.

"Our policy has been to cut the network size and improve its quality", he says. "Our approach used to be too volume -oriented. Now we want higher dealer standards,and to change our whole image to reflect quality of service".

Mr Caperain has explored most of the optional avenues for achieving this, including the possibility of offering as standard, the "no cost" three-year warranties already given by companies such as Colt Car Company and Lancia UK, the Heron group-owned Italian car importer.

The idea was considered potentially too costly and not pursued. Instead, about 30 per cent of Renault customers take up "Renault Care" extended warranties as an option.

Like Volvo, he feels dealer responsiveness to the changing service climate is at least as critical as the 'nuts and bolts' of the services actually offered. And while he insists "there will be no purge" of Renault UK's already streamlined network, he says that, like most other franchises, "we still have to change some weak dealers - some will decide to go themselves; some we will have to replace."

It is not just a UK problem says Mr Caperain, who has held executive posts for Renault in several Continental markets: "The image of the motor trade is bad everywhere...all the manufacturers need to act together to improve it."

In the case of BMW at least, and in spite of Mr Layzell's discontent with customer satisfaction, sales remain buoyant. He forecasts BMW will set a record for the seventh year in a row at 37,000 units, compared with 12,000 in 1980.

This is in spite of deteriorating exchange rates which have helped push prices up an average of 9.8 per cent so far this year, and 16 per cent in 1986.

Tunnel 'threatens 20,000 ferry jobs'

BY KEVIN BROWN AND ANDREW TAYLOR

UP TO 20,000 seamen and port workers may have to lose their jobs if the ferry industry is to compete effectively with the Channel Tunnel, Mr James Sherwood, chairman of Sealink UK, said yesterday.

His forecast followed the publication of a detailed attack on Eurotunnel, the Channel Tunnel consortium, by the Flexilink grouping of ports and ferry companies.

Eurotunnel has to raise £750m in a share offer next month if the tunnel project is to go ahead.

Mr Sherwood said Sealink and P&O European Ferries - the two leading Channel ferry operators - could wreck Eurotunnel's traffic and revenue costs by cutting fares on the key Dover-Calais route by 40 per cent.

However, this would require a rationalisation of services, in which up to 20 ships might have to be withdrawn, mostly on "marginal" routes from the smaller Channel ports.

The restructuring would leave six "jumbo" ferries operating a no-booking shuttle between Dover and Calais at 30-minute intervals.

This concept has been discussed in initial talks between Mr Sherwood and Sir James Sterling, chairman of P&O, but permission from the Office of Fair Trading is required before further talks can take place.

The companies are expected to wait for the result of the Eurotunnel share offer before seeking permission to work out details of the proposal.

Mr Sherwood said many Channel ferries were 40 per cent overmanned. The seamen's trade unions would be asked to agree to a gradual reduction in manning over the next seven years, some of which could take place through voluntary redundancies and early retirement.

The National Union of Seamen, which represents more than 8,000 cross-Channel crew, said it was "provocative" of Mr Sherwood to make a public estimate of the scale of redundancies which might be required.

The union said it would fight to keep as many ships as possible on the Channel routes. However, it is expected to adopt a pragmatic approach to redundancies in view of the threat to ferry services from the tunnel.

Mr Jonathan Sloggett, managing director of Dover Harbour Board and chairman of Flexilink, said the promoters of the tunnel would probably default on £5bn of loans and standby credits if the project went ahead.

Young unemployed to lose benefits

BY ALAN PIKE, SOCIAL AFFAIRS CORRESPONDENT

THE GOVERNMENT yesterday went ahead with its manifesto undertaking to remove state benefits from unemployed young people as part of a wider tightening-up of social security provision.

General entitlement to income support is withdrawn from 16 and 17-year-olds under the Social Security Bill published yesterday. The move is accompanied by the guarantee of a Youth Training Scheme place for all those under 18 who are not in full-time education or conventional employment.

Ministers stressed yesterday that YTS allowances are higher than the benefit payments which young people have until now been able to claim. Mr Norman Fowler, Employment Secretary, said the only option being taken away from young people was that of turning down a training place and living on benefit.

However, opponents of the proposal see it as a step towards compelling unemployed people to take part in government schemes. Similar critisism has been levelled at the Job Training Scheme for adults, on which trainees receive only the equivalent of benefit payments.

The move was condemned yesterday by a number of groups, including the National Union of Students and the Low Pay Unit. Mr Chris Pond, the unit's director, said it would turn young people into a "conscript army of cheap labour."

The change will take effect next September and the Government will extend child benefit for under 18-year-olds - which currently ends when they leave school - for up to four months while they are looking for jobs or YTS places.

The Bill also strengthens the contribution conditions for claiming unemployment and sickness benefits. National Insurance contributions will in future have to have been paid or credited over both of the last two tax years, instead of the present one year.

It is estimated that this provision will affect unemployment benefit payments to about 350,000 people, although it will not have the effect of removing most of them from the unemployment register.

Other changes in the Bill include:

- Reducing unemployment benefit of people aged 55 to 60 by 10p for every 10p that their occupational pensions exceed £35 per week.
- Tightening the conditions for paying night attendance allowances for the disabled.
- Providing for future payments for extra heating costs in cold weather to come from the Government's new Social Fund.

Heffer talks of new left wing party

By Michael Cassell,
Political Correspondent

THE POSSIBILITY of establishing a new socialist party to unite the radical left and pursue working class-oriented policies should not be ruled out, Mr Eric Heffer, Labour MP for Liverpool Walton, said yesterday.

Mr Heffer, whose remarks were contained in a statement to be distributed to delegates attending this weekend's socialist conference in Chesterfield, said the time had not yet come to establish the new party. He said it might never be necessary, as long as the trade unions remained affiliated to Labour.

Mr Heffer charged the Labour leadership with abandoning socialist policies and taking Labour "down the path of the red rose of compromise rather than the red flag of socialism". The present tactics, he said, would deprive Labour of victory and increase despair and division.

He called on the Left to organise itself with the Campaign group of MPs becoming the parliamentary umbrella organisation for socialist groups.

More than 1,500 delegates are expected to attend theconference, which is being largely ignored by a Labour party leadership. Mr Roy Hattersley, the party's deputy leader, said the meeting had only "a vicarious connection" with the party.

Labour critical of ANC plot statement

BY IVOR OWEN

LABOUR leaders are to make a new bid to force Mrs Thatcher into making a Commons statement next week on allegations that security services were involved in a plot to kidnap members of the African National Congress in London.

Explanations offered in the Commons yesterday by Sir Patrick Mayhew, Attorney General, for the abandonment of the prosecution against three men accused of being involved in a kidnap conspiracy were greeted with open scepticism on the Opposition benches.

While Government supporters laughed and cheered at Sir Patrick's jocular apology for having "shot their fox", Labour critics protested that this carefully phrased statement had not ruled out the involvement of the security services in an elaborate undercover operation.

Mr John Morris, shadow Attorney General, noted that Sir Patrick had chosen his words "exceedingly carefully" and pressed for an examination by the Security Commission of all the "unanswered questions."

Sir Patrick, who took the unusual step of making a statement at the conclusion of normal Government business, said the decision to drop the prosecution had been taken by the staff of the Director of Public Prosecutions following advice by leading counsel.

He had formed the view that, although the evidence against the accused was sufficient to warrant them being arrested and charged, it was not likely to have been sufficient to secure conviction at trial.

While information concerning the case had been referred by the DPP's staff to his (the Attorney General's) office in July, no request for a direction had been made and none was given.

This disclosure brought cries of "Ah" from Labour MPs but Sir Patrick brushed aside their inferences of sinister implications and took some credit for having brought "some excitement" to the House late on a Friday afternoon.

Mr John Fraser, another Labour front bencher, demanded an assurance that none of the defendants were in any way either working for or had been connected with the security services.

Sir Patrick replied: "I have made inquiries, naturally, and I am given to understand that there is no connection and has been no connection whatsoever."

Sir Patrick told Mr Nigel Spearing, Labour MP for Newham South, that certain documents in the case had been referred, by the personal decision of the Director of Public Prosecutions, to the security services on the basis that what purported to be governmental documents were not genuine.

Smoking zones considered

By Ivor Owen

ESTABLISHING areas where smoking in public places is permitted rather than banned will be among initiatives considered by the Government to curb tobacco-related illnesses.

Mrs Edwina Currie, Health Minister, told the Commons yesterday that smoking, alchohol abuse and damaging dietary habits remained the main targets in persuading people to adopt a healthier life-style.

A switch of emphasis to "smoking permitted" instead of "no smoking" areas in public places was suggested by Mr Frank Cook, Labour MP for Stockton North.

The minister promised this would be borne in mind when the Government considered whether measures were needed to protect non-smokers from "passive smoking."

Mrs Currie said the committee, headed by Sir Peter Froggett, was expected to present its final report on passive smoking before Christmas.

She expressed particular concern that a survey on smoking among secondary schoolchildren showed no significant fall in smoking by 11 to 16-year-old girls between 1984 and 1986.

Mrs Currie said she would be consulting Home Office ministers about stricter enforcement of last year's act, which made it illegal to sell any tobacco product to children under 16.

Ms Harriet Harman, Labour shadow health minister, maintained that if the Government was seriously concerned about improving the nation's health it would provide more resources to remedy the deplorable housing and other conditions

British Coal transfers mine to UDM-dominated area

BY MAURICE SAMUELSON

BRITISH COAL yesterday delivered a resounding challenge to the National Union of Mineworkers by transferring management of the new Asfordby mine in Leicestershire to its Nottinghamshire area, in which the rival Union of Democratic Mineworkers holds sway.

The UDM is expected to accept a condition that it should produce six days a week, a suggestion resisted by the NUM.

Asfordby, which will employ 1,400 when it opens in the early 1990s, has until now been managed as part of the Central area, which encompasses Leicestershire, Warwickshire and south Derbyshire.

British Coal said Asfordby's workforce would be recruited principally from the Leicestershire, south Derbyshire and Nottinghamshire coalfields.

Mr Jack Jones, NUM Leicestershire area secretary, said this contradicted assurances that the mine was intended to replace large job losses

Talks on six-day working at Asfordby are expected to open soon with the UDM. Their successful outcome would make Asfordby the first big new colliery to break with the principle of five-day production.

Announcing the new Asfordby arrangement, British Coal said the nearest colliery to it was at Cotgrave, Nottinghamshire, and preparatory work on Asfordby was done by Nottinghamshire-based personnel.

THE EMPLOYMENT BILL 1987

Legal right to stop action given to union members

BY PHILIP BASSETT, LABOUR EDITOR

THE GOVERNMENT yesterday published the Employment Bill 1987 which will, when enacted, form its fourth major piece of legislation on trade unions and industrial relations.

The Bill, introduced by Mr *Norman Fowler*, Employment Secretary, is divided into three parts - the first on industrial relations and unions, the second on training and employment and the third on civil servants' employment contracts.

PART ONE

Industrial action. The Bill proposes that trade union members, rather than just employers as provided for under the Trade Union Act 1984, should have the right to obtain a High Court order to prevent a union calling any industrial action without a ballot. The Government considered, but rejected, the idea of repeated ballots at intervals during the course of such action.

In a new move, it is proposing that unions should organise separate industrial action ballots at each place of work where members are entitled to vote. This may have an effect on the union tactic of selective industrial action, but it is primarily aimed at halting alleged cases of unions lumping together anti-strike groups of members with pro-strike groups, in order to create a pro-strike majority by which all members would be bound.

Though Ministers would not detail them yesterday, the Government believes there are a number of cases where unions have manipulated strike votes in this way in order to ensure the participation in a strike of key workers such as computer operators, who might be vital to the strike's prospect of success but who might for various reasons seem less willing to take action in the first place.

Elections. All members of a trade union's governing executive committee will have to be elected by postal ballot, independently scrutinised. Copies of the scrutineer's report detailing the voting will have to be distributed to every union member.

Union presidents and general secretaries, whether they have votes on the executive or not, will now have to be elected, as *will all non-voting executive* members, unless they provide the executive only with factual, technical or professional advice.

The Department of Employment estimates that the likely cost of this from unions reclaiming ballot expenses allowed under existing labour law will be £1.5m in 1988-89 and £1.7m in each of the following two years.

The Government will be empowered to issue statutory codes of practice on the conduct of trade union ballots or elections. Ministers envisage that the codes, which like the Highway Code would be taken account of in any court case, could deal with issues such as the wording of ballot literature or voting locations.

Closed Shop. Unions will not be able to take lawful industrial action in relation to the closed shop, and dismissal of an employee for non-membership of a trade union will in all cases be unfair dismissal.

Union Action. Union members will be able to apply for court

Norman Fowler, Employment Secretary

orders to prevent union trustees to permit union property, including union funds, to be used for unlawful purposes, such as defying court orders.

A new provision will make it unlawful for unions to indemnify individuals for any penalty imposed by a court for a criminal offence, or for contempt.

Union members. The Bill gives union members the right not to be "unjustifiably" disciplined by their union, and specifies the reasons which would be unjustifiable. Most controversial is a member's failure to participate in or support industrial action.

This measure, dubbed by *some of its opponents* the "scab's charter" and opposed by many employers' bodies, would apply even if a strike had been legally called and supported under the 1984 Act.

Union members would be able to take complaints to an industrial tribunal, claiming compensation and the return of any fine.

Other reasons include alleging the member's union or one of its officials acted unlawfully, or taking a case to the Government's Certification Officer, or its new proposed Commissioner for the Rights of Trade Union Members.

Though the Government has *dropped its earlier suggestion* that the Commissioner would be able to be a party to proceedings brought against a union by an aggrieved member, the bill provides for the Commissioner to support a greater range of cases than was envisaged in the Green Paper which preceeded the Bill earlier this year.

The Commissioner would be able to give assistance on cases if in particular they raise a question of principle, or whether it would be unreasonable to expect the applicant to deal with the case unaided, or whether it involves a matter of substantial public interest.

He or she would be able to recover financial aid from applicants if *any statements* made by them are found to be false.

The Department estimates the cost of the new Commissioner's office - the Commissioner plus about six further staff - at £1.2m in 1988-89 and £1.3m in each of the following two years.

The long-established Certification Officer (CO), who currently has responsibilities for *overlooking some* union affairs, would be able to pay out expenses to union members bringing cases before him.

Union members would have a new right of complaint to the CO if they believed a ballot on a union's political fund, as required by the 1984 Act, has been or will be held not in accordance with the CO's rules.

The Department estimates these at no more than £1,000 in total annually from 1988-89 onwards, and suggests that with a planned staff increase of two for the office to deal with increased workload arising from the Bill's proposals, running costs will rise by about £30,000 annually from the same point.

The Bill also stipulates that unions will be unable to "talk out" under rule members' grievances being examined by a court more than six months after they have occurred.

Unions will be required to keep for six years detailed accounting records for inspection on demand by union members, accompanied by accountants if necessary.

Union members will also be able to examine their own membership records held by the union, often now on computer, since the 1984 Act.

Finally, if an employee resigns from a union, his or her employer must stop deducting union subscriptions from their pay.

PART TWO

The Bill changes the name of the Manpower Services Commission to the Training Commission and expands the number of members of the Commission body itself from 10 to 16. In line with the Conservatives' *election manifesto*, Mr Fowler made clear the new members would be employers' representatives.

Additional employer members are also proposed for the various industrial training and Agricultural Training boards.

Young people who "unreasonably" refuse to take part in Government-approved training *schemes will be subject to* disqualification of their unemployment benefit, in line with the provisions in the new Social Security Bill, also published yesterday.

Those who lose their places on schemes through misconduct, or because they voluntarily leave them, will also lose their benefit.

The Department estimates that this part of the bill will require an extra 75 staff posts in 1988-89 and a further 30 the following year.

Departmental costs will rise by £0.5m and £0.2m in those years respectively, and measures will increase the payment costs of the Youth Training Scheme programme by about £5m annually from 1988-89 onwards.

PART THREE

The Bill provides for all civil servants to be covered by binding contracts of employment. Civil servants have never had formal employment contracts, *since they* are technically servants of the Crown, but a High Court decision in June ruled that there were no contracts at all.

In order to be able to apply to its own employees its own labour legislation, the Bill says that civil servants' terms of service do constitute a contract for the purposes of the law generally and *for* a number of clauses in this new bill in particular.

Employment Bill 1987. SO, £5.30.

Suspension threat curbs action by prison staff

By John Gapper, Labour Staff

INDUSTRIAL action by about 1,700 prison officers in protest at manning levels for the introduction of the Fresh Start package of working practices was waning last night in response to the threat of suspension without pay.

Officers at Pentonville and Wormwood Scrubs prisons in London, Ashford remand centre in Middlesex and Camp Hill prison, Isle of Wight called off or modified action after a public warning from Mr Douglas Hurd, Home Secretary.

The only establishments at *which prison officers were* still refusing to admit new inmates were Wandsworth prison, London and Chelmsford young offenders prison, Essex.

The national executive of the Prison Officers' Association was meeting last night to try to decide on its policy following a meeting with Mr Hurd on Thursday at which he warned that any officers still in dispute next week faced suspension.

The 508 uniformed officers at Wormwood Scrubs decided to resume normal working after reaching an agreement with the prison governor on new staffing levels, which will mean 30 extra officers.

Ford Dundee plant 'threatened'

BY JIMMY BURNS IN LONDON AND JAMES BUXTON IN EDINBURGH

FORD IS ready to abandon its proposed £40m investment in Dundee, Scotland, rather than accept a multi-union agreement at the plant, Mr Gavin Laird, the general secretary of the Amalgamated Engineering Union, warned yesterday.

Mr Laird said that in negotiations with Ford prior to the signature of a single-union agreement with the AEU earlier this month, the company had stated "unequivocably" that they would not invest in the electronic components plant if it faced a proliferation of unions.

The union leader spoke within minutes of a long-distance telephone conversation with Ford in the US. The company is believed to have expressed its deepening concern at reports that other unions were preparing to step up their campaign of opposition to the single-union deal, to include blacking the handling of all components produced at the plant.

Ford in the US said it would neither confirm nor deny Mr Laird's allegations. However it said that an "exhaustive study" made by the company had reached the conclusion that a single union agreement at Dundee was necessary if the plant was to prove competitive world wide.

Opposition to the single-union deal widened further yesterday with the white collar union Tass, which has 5000 members employed by Ford UK, threatening to disrupt Ford Europe's joint design and engineering development. This is currently shared by the company's research centres in Dunton, Essex and Cologne, West Germany.

Mr Malcolm Rifkind, the Scottish Secretary, said he considered it "inconceivable" that an "inter-union squabble would in any way be likely to jeapordise this project."

According to the Scottish Development Agency, all US electronic plants established in Scotland since 1972 are non-unionised.

Earlier yesterday Mr Laird told BBC radio: "What will potential inward investors think if they see a multinational not able to come to Scotland because the damned trade unions can't get their act together?"

He insisted that, if the the trade union movement did not heal its internal differences over the issue of single-union deals quickly, "thousands of jobs would go by the board."

TUC plans to review employers' attitudes

BY PHILIP BASSETT

THE TUC is to ask a number of employers about their attitudes to recognition in an attempt to try to deal with the fact that many of the current initiatives on industrial relations lie with management rather than unions.

This novel approach is suggested in a confidential document prepared for the first meeting on Monday of the TUC's special review body, set up at its Blackpool Congress last month to consider the future of trade unions and especially the thorny problem of single-union, strike-free agreements.

The initial paper for the committee divides the review body's planned work into five broad areas: recognition and inter-union relations, public perceptions of unions, expanding the frontiers of trade unionism, trade union services, and the rôle and work of the TUC itself.

The TUC's paper says that recent years have seen a hardening attitude by many employers to union recognition. While derecognition cases are still rare, the difficulties for unions seeking recognition in difficult-to-organise companies and areas have intensified.

It suggests surveying unions not just on the recognition deals they have signed - including strike-free agreements - but on what are employer attitudes and pressures on the issue.

Selected academics and outside industrial relations organisations such as the conciliation service Acas are to be asked to contribute to the review body.

It is suggested that Acas representatives and others be asked to join a number of employers in a weekend-long meeting with the TUC in late January as part of its final stage of producing a formula to deal with the problem of strike-free deals.

However, the TUC paper makes clear that the review body's work must not concentrate wholly on strike-free deals in time for an interim report on them by late March, but its planned work on other areas must run in parallel.

Among the initiatives suggested by the paper are:

- ● Analysing in detail current labour market and union membership trends and surveying the problems of servicing and retaining existing members and the experience of current union organising efforts.
- ● Obtaining clearance for the cinema and, if finances allow, television showing of the TUC's three commercials promoting trade unionism.
- ● Expanding the TUC's "very successful" curriculum-based approach to learning about trade unions in schools. To further this, the TUC is preparing a new video on unions and young people.

INSTITUTE OF PERSONNEL MANAGEMENT CONFERENCE

Career planning drive is urged

COMPANIES WILL have to pay much greater attention to career planning and work scheduling to meet four major pressures which will force organisational changes in the next couple of decades, Sir Edwin Dixon, chairman of IBM UK, told delegates in the conference's closing address.

Sir Edwin identified these pressures as: the emergence of a global marketplace in which successful companies would have to compete; the pervasive influence of information tech*nology on both products and* production processes; the development of new industries based on science and technology, and the need to utilise human resources to the full.

He said that coping with the pressures would require a massive investment by companies in training and re training. While government had the responsibility for ensuring the education system supplied industry with qualified workers, mostof the responsibility for meeting these challenges would rest with managers.

Reflecting on his time at IBM, Sir Edwin said that the company's pledge to maintain full employment, was a fundamental part of its success.

The lessons of IBM's success for other companies were that a personnel philosophy should be backed by clear policies for implementation, to ensure companies developed people and products to maintain their continuing profitability.

He predicted that personnel departments with companies wouldgradually evolve into human resources departments, as companies took a more rounded view of how to develop the skills of their workers.

Human resources managers would play a vital role in providing innovative and creative policies to manage changing patterns of work. As two examples of divergent personnel policies within his own company, Sir Edwin disclosed that the future chief executive would have been groomed for the post from the age of 25, and that the company is experimenting with twelve hour shifts at one of its UK manufacturing plants.

Sir Edwin predicted that the character of the workforce would change over the next two decades. About half the workforce would be core full time workers, with the remainder self employed or working part time.

Unions 'must adapt to changes'

HARROGATE CONFERENCE

REPORTS BY DAVID BRINDLE AND CHARLES LEADBEATER

TRADE UNIONS must attempt to mould, rather than resist, fundamental changes in the economy and the labour market, Mr Eddie Haigh, national officer of the Transport and General Workers' Union, said at the conference.

Mr Haigh, a member of the Labour Party's national executive committee, said the labour movement would have to abandon its old ideas of full employment and accept a re-defined goal which gave greater weight to the growth of part-time and temporary work.

He said: 'No government would be able to change that fundamental trend.'

There were many features of labour flexibility, such as the harmonisation of the conditions of blue and white collar work*ers, which unions should* welcome.

The TGWU would not oppose the principle of profit-related pay, nor employee share ownership plans, where they were compatible with the pay security for workers and were accompanied by greater worker involvement in company decision making.

Mr Haigh said the unions and the Labour Party had to accept there could not be large-scale re-nationalisation of many of the companies privatised by he Government.

He urged the unions and the party to consider new ways to exert social control, including union shareholdings.

Mr Wyn Bevan, the EETPU electricians' union's executive councillor for South Wales, said management reluctance to change was the main obstacle to the growth of single-union, strike-free agreements.

Mr Bevan, who has played a leading role in the EETPU's strategy on such deals, warned there was an urgent need to conclude co-operative agreements.

As manufacturing pulls back to 1979 levels of growth and output, the so-called British disease of confrontational industrial relations would reassert itself and a once-and-for-all chance to change the scene would have passed.

Mr Bevan predicted there would not be a massive increase in strike-free agreements. Although his union was making steady progress, employers were resting on their laurels at a time of management strength.

Mr John Edmonds, general secretary *of* the *GMB* general union, outlined what he termed an 'employers' offensive' against unions and working people.

He said: 'If managers want to behave immorally, they ought at least to realise that that is what they are doing.'

Employers were *putting* near-impossible obstacles in the way of unions: one hotel chain had offered recognition only if half the workforce was recruited and retained in union membership for six months.

'It is now very difficult for trade unions to get recognition of any sort from almost any employers anywhere,' Mr Edmonds said.

CPSA leader attacks 'complacency'

THE BASIC representational work of any trade unions was 'appalling,' said Mr John Ellis, general secretary of the CPSA civil servants' union.

In a strong attack on the complacency he said had been shown by the labour movement, he urged unions to lower considerably their political profile and return to their basic role.

Mr Ellis said: 'It is only the result of the shock to the systems of trade union leaders having got it so badly wrong since 1979 that things are beginning to change.'

The CPSA leader has recently been under pressure from the union's hard-left national executive committee.

He said yesterday that attending the conference was a welcome break after a three-day executive meeting 'back in the 1920s or thirties.'

The executive is unlikely to be pleased with Mr Ellis's observations yesterday that the Government had been 'enormously popular' and that, while he supported the Labour Party, he had present reservations.

'I would not want to see this Labour Party become a Labour Government, but there will be a party in the not too distant future that will be fit to be a Labour government,' Mr Ellis said.

The CPSA is due to ballot early next year on affiliation to the party.

Strikes 'still taking place without ballots'

INDUSTRIAL ACTION is taking place without pre-strike ballots as frequently as it is with such authorisation, according to a regional engineering industry survey.

The survey by the Engineering Employers' Federation's *London association, which* covers much of the south-east, shows that action occurred without ballots under the Trade Union Act 1984 in 19 cases in 1986 and 11 cases so far this year.

Action is said to have taken place after ballots in 12 cases in each year.

The survey, the results of which were presented yesterday at the conference in Harrogate, suggests that the act's balloting requirements have yet to win widespread acceptance on the shop floor.

However, the findings also indicate an improvement in unions' observation of disputes procedures: in 1985, procedures had not been exhausted in six of eight cases of ballots, in 1986 the same proportion was six in 12, in 1987, it has been three in *10, two other cases being undo*cumented.

Mr Colin Pope, deputy director of the EEF's London association, said the trend of unions holding ballots before completion of negotiations had been "quite alarming."

He reported that the ballots monitored by the association had produced remarkably con*sistent results*: an average majority for action of 69.6 per centin 1985, 70 per cent in 1986 and 70.5 per cent so far this year.

Action had resulted in seven of the eight ballots in 1985, 11 of the 12 last year and eight of the 10 documented this year.

This pattern contrasted with research by Acas, the conciliation service, which had shown action in a much smaller proportion of cases.

Nevertheless, Mr Pope said the slowly growing acceptance of balloting did appear to be having a salutary effect on workforces which had in the past been "hasty" in taking action.

On ballots to authorise closed shops - a requirement being superseded by the Employment Bill published yesterday - Mr Pope said about 30 of his association's member companies had held such ballots and had returned an average vote of 90 per cent in favour of retaining union membership agreements.

Mr Cory Roberts, director of employment affairs at the Motor Agents Association, said he considered the Government was displaying a "lack of sincerity" in proposing in the bill to outlaw closed shops.

The requirement to achieve a ballot majority of at least 80 per cent to retain a closed shop had been tough, but a good compromise.

Because unions had commonly achieved the requirement, the Government was now abolishing the closed shop altogether.

Similarly, Mr Roberts described the move in the bill to prevent unions disciplining strike-breakers - even after a pre-strike ballot - as "totally wrong and totally unfair" in a democratic context.

Workers 'need individual employment packages'

EMPLOYERS WOULD inceasingly have to offer their workers much more individualised employment packages, Mr Alun Jones, industrial relations executive with Sony UK, told delegates.

He said that employers would come under pressure to modify the standard working week, holiday provision and payments systems to suit the needs of both male and female workers.

Providing more individualised employment terms would increasingly mean that the concept of temporary and part time workers forming a periphery around a core of full time workers would become outmoded. This pressure would inevitably come from the need for employers to win loyalty from women workers.

In turn, this would mean companies having to adopt more individualised payments systems, Mr Jones said. Even the common reference points of an annual salary and annual working hours might be eroded over the next decade.

● Few employers take steps to prevent age discrimination in recruitment, according to a careers consultant.

Mr Peter Naylor, who chairs the IPM's equal opportunities committee, said there had been only a slight decrease in the number of job advertisements mentioning age since the IPM issued its equal opportunities code months ago.

Analysis of 4,550 national recruitment adverts over the following 10 months had shown that age was mentioned in 32 per cent of those in the IPM's own magazine and 41 per cent of those in a quality Sunday newspaper.

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Deciphering the message

AN EARTHQUAKE permanently changes the landscape. So it is likely to prove with last week's events in the stock markets.

The Chancellor of the Exchequer appears to agree with his Keynesian critics that the main problem is the irresponsibility of the financial markets. But the truth is more complex. It is governments that are at the root of the problem, while the stock markets in the last week, the *bond market in the last few* months and the foreign exchange markets in recent years have merely been carrying the message.

Unfortunately, markets are not very efficient messengers. They tend to hysteria and, in *any case, deliver their message* at unpredictable and inconvenient times.

Nonetheless, there is a message, its essence being concern about the creditworthiness of the government of the world's most important country. The ratio of US federal debt to GNP has risen from 33 to 52 per cent since 1980. In the present fiscal year the federal deficit is expected to fall to about $155 bn, a drop of $66 bn from the previous year, but the expectation is that it will rise again thereafter.

At the same time, the expected deficit of $155bn is still about 3½ per cent of GNP and the ratio of debt to GNP is rising even when the US economy is not far from a cyclical peak. Another recession, especially if it is induced by higher rates of interest, would lead to further sharp rises in the extent of US government indebtedness.

Painfully slow

The lesson of the period since the Louvre Accord in February appears to be that attempts to manage exchange rates in the *absence of the required* changes in the economic fundamentals have merely shifted instability in other, probably more damaging, directions.

The immediate problem is that the current account adjustment of the US has been painfully slow. Partly as a result, the burden of financing the US deficit fell on foreign central banks. This, in turn, awakened fears that interest rates would have to rise. In fact, bond rates started to rise worldwide in July, when the intractability of the US external deficit became obvious.

Furthermore, one of the implications of fixed exchange rates is that the shorter rates of interest tend to converge. It is probably for this reason that monetary authorities in Japan and West Germany have found themselves following domestic short rates of interest upwards.

The rising rates of interest coincided through most of 1987 with declining returns on investments in equity as stock markets continued to soar. This combination became progressively more infeasible as further rises in rates of interest seemed more likely.

It is thus that the stock markets became the last and most urgent of the trio of messengers, producing in a week all the instability that had been suppressed on the foreign exchanges for seven months, in the process wiping out about $1 trillion in private wealth worldwide.

First stage

However unwelcome, the warning must be heeded.

The required short term action to calm the markets has been taken by all the central banks. But this is just the first stage.

Under plausible assumptions about long term growth and rates of interest, the US fiscal deficit at the cyclical mid-point should be somewhere between $100bn and $150bn, if the debt to GNP ratio is to be stabilized. At the end of a long expansion, the current *deficit should* certainly be much smaller than that.

At the same time, some analysts suggest that the decline in wealth may itself reduce household demand in the US by ¾ per cent. This could well prove an *exaggeration, since it is difficult* to believe that much of the last year's increase in paper values was regarded as permanent. Nevertheless, too large a reduction in the deficit now could prove damaging. What can be done, therefore, is to *pass into law* a pre-announced and phased programme of tax increases that will eliminate the structural deficit over perhaps three years.

Some deflation in the US is unavoidable, but that is the unhappy consequence of fiscal irresponsibility during the peak of a cycle. In any case, deflationary effects in the US would be offset by further dollar depreciation, which looks necessary, even if not inevitable. Furthermore, the required depreciation should be sufficiently large to encourage substantial private capital inflow even without large interest rate differentials between the US and the surplus countries.

The change in US fiscal policy and the value of the dollar would present the surplus countries with a painful *fait accompli*. It would be in their interest to expand demand as the impulse of the US external deficit disappears, especially given the market decline. Any justification for caution has surely disappeared. International economic stability is impossible if leading nations pursue policies that are clearly unsustainable. The lesson of the week's events is not that markets are irresponsible, but that those who need the most regulation are, unfortunately, the governments of some of the major countries.

Philip Stephens considers the economic implications of the stock market crash

Now the hard questions

YESTERDAY the world's leading economic policymakers were searching desperately for the silver lining. As stock markets continued to gyrate wildly it was difficult to find.

Even if the soothing words in this week's flurry of official statements from Washington, Tokyo, London and Frankfurt eventually succeed in damping the fires, the economic dilemmas which kindled the flames will remain as acute as ever.

The huge trade imbalances between *the US, Japan and* West Germany have not gone away. The dollar may have escaped relatively unscathed this week, but yesterday's fall was a reminder that doubts remain about its stability when the US is running $16bn (£9.7bn)-a-month trade deficits.

Prospects for world economic growth, hardly spectacular even before this week's dramas, have deteriorated significantly as the result of the shock delivered to consumer and investor confidence.

As President Ronald Reagan acknowledged on Thursday, there is a real danger that the fear of recession which contributed to the crash in equities could become a self-fulfilling prophecy.

The basis of the soothing words is that the collapse in equity prices may simply signal a long overdue shake-out of speculative froth. Prices in most centres are still higher than a year ago.

As commentators dusted off their economics textbooks to *find parallels with 1929*, the US Federal Reserve's decision to pump money into the financial markets indicated that it had learnt at least one of the lessons of that great slump. The panic would not be exacerbated by an officially imposed monetary *squeeze. Interest rates, particularly* for long-term borrowing, fell sharply throughout the world. Britain ratified the trend with yesterday's half point cut in base rates.

Mr Reagan's apparent willingness to consider tax increases *to reduce the US budget deficit* and West Germany's more flexible approach to interest rate policy were cited as evidence that policymakers were not ignoring the more fundamental economic message.

But if the speed of this week's crash can be blamed partly on computer-generated trading, the markets have demonstrated that they no longer have the patience which governments have demanded of them.

Official declarations that it will take years, not months, to unwind the twin US budget and trade deficits and to cut the Japanese and West German external surpluses have begun to be seen as complacent rather than realistic - particularly when the fragility of international co-operation is exposed by public slanging matches between Washington and Bonn.

Bland statements of optimism and good intent like that issued after last month's meeting of the Group of Seven nations no longer seem enough. Plans to overhaul the international exchange rate system or to give gold a new role in *global* monetary policy begin to look peripheral.

The most obviously damaging result of 20 per cent to 30 per cent falls in the leading stock markets will be on economic growth.

Though the impact will vary *from country to country*, consumers throughout the industrialised world have seen a substantial, almost instant, reduction in their wealth. The response is likely to be a parallel reduction in consumer spending as individuals adjust to feeling poorer.

In the US, where over 20 per cent of all personal wealth is invested directly in the equity *markets*, the *downturn in* spending is likely to be particularly marked and rapid. Mr Steven Bell, an economist at Morgan Grenfell, the London securities house, estimates that US consumers have sustained losses of close to $1,000bn - equivalent to $4,000 per citizen.

Japan, West Germany, Britain and France, where a higher proportion of shares are held indirectly through pension funds and insurance companies, can expect a smaller, though still-significant, drop in demand as individuals rebuild their savings.

Consumers will not be the only ones to postpone spending decisions. The cost of capital for industrial companies has risen sharply as a direct result of lower equity prices, while the sales outlook for their products has deteriorated. Many pension fund surpluses, which have provided a useful financial cushion for businesses, have evaporated.

In these circumstances companies are likely to delay, if not *cancel, their investment plans.* If nothing else exporters in, say Britain, will hardly be confident about the prospects for exports to the US.

Quantifying the overall impact on growth of reduced consumer demand and lower industrial *investment is much more* difficult. Crucially it will depend on whether the markets stabilise at around present levels.

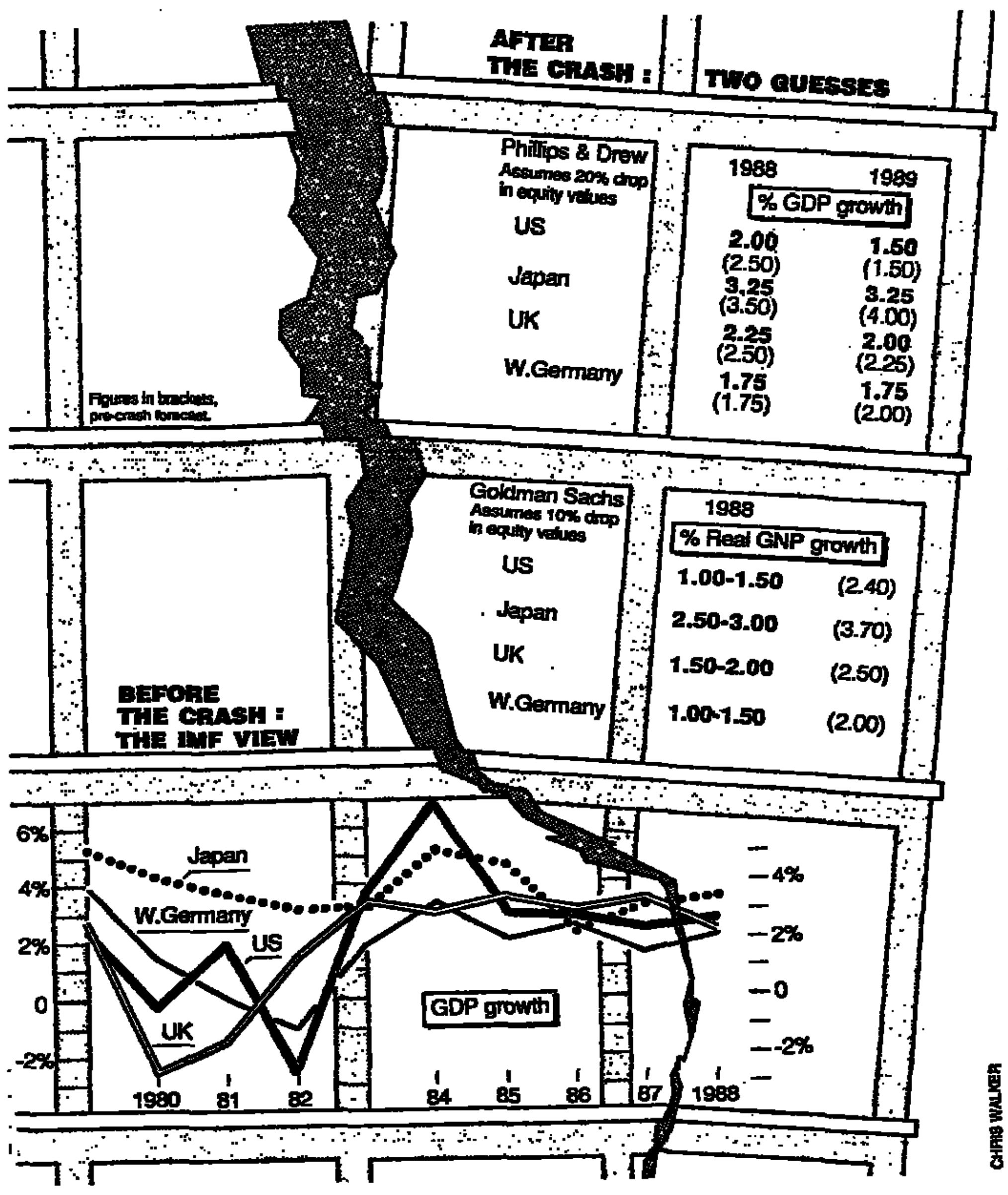
If they do not, the deflationary effects so far could be further intensified by failures among securities houses, possibly leading to forced sales of their equity holdings. That in turn would encourage a flight into cash from more tangible assets like shares and property and the increased tendency to save which traditionally follows fears of a financial collapse.

The braver City economists have made educated guesses of the possible economic impact, based on the heroic assumption that the markets now begin to stabilise.

Mr David Morrison and Mr Gavyn Davies at Goldman Sachs, the US securities house, estimate that - assuming a 10 per cent global stock market decline compared to the average level of the last six months - growth in the US may be only 1 per cent to 1½ per cent next year against their previously forecast 2½ per cent. Negative effects are evident in other economies - as the charts show. Britain's economic growth, which was anyway likely to slow next year to perhaps 2½ per cent, might now be as low as 1½ per cent to 2 per cent, the economists believe.

Mr Bill Martin, at Phillips & Drew, is slightly more optimistic, partly because he expects a sustained fall in real, or inflation-adjusted, interest rates. His calculations, based on an equity price drop of 20 per cent rather *than 10 per cent, point to growth* next year of 2 per cent in the US, 3¼ per cent in Japan, 1¾ per cent in West Germany and 2¼ per cent for Britain.

Even if this relative optimism proves well-founded, growth averaging barely more than 2 per cent is hardly auspicious. At *that level, unemployment would* resume its upward trend and the already acute financial problems of developing and heavily indebted countries would intensify as commodity prices weakened and markets in industrial countries shrank.



CHRIS WALKER

There is, perhaps, the hint of a silver lining in the differential impact on growth in the major economies. The fact that consumption in the US is hit harder than in the rest of the world will dampen the US appetite for imports. That in turn should lead to some improvement in the US external deficit. Goldman Sachs, for example, is now forecasting a deficit of $128bn in 1988 rather than $138bn.

US consumers are estimated to have sustained total losses of close to $1,000bn, the equivalent of about $4,000 per citizen

Inflation around the world is also likely to be lower as a result of the crash, effectively squashing the fears over prices which have pushed interest rates sharply higher in recent months.

Such consolations, however, hardly diminish the policy pressures *facing the Group of Seven* as they ponder whether to call an emergency meeting to shore up confidence.

A central task for the Governments of the US, Japan, West Germany, Britain, France, Italy and Canada, remains to erode trade imbalances. *But to do this* by pushing the US economy towards recession is hardly the preferred mode of achieving this; indeed the raison d'etre of economic policy co-ordination over the past two years has been to avoid just that eventuality.

The response this week, aptly described as 'firefighting' by one European finance ministry official, has been to put on a show of unanimity. That has been combined with a concerted *attempt by central banks to* preserve confidence by pumping cash into the world's major money markets and cutting interest rates.

Financial news services have been flooded by official statements reaffirming the determination of the Group of Seven to preserve *last February's dollar* stabilisation pact.

But - and assuming the markets grant policymakers a breathing space - it will be the longer term policy response that counts. And here the auspices for a durable consensus *are less encouraging.*

Outside the US, there is an overwhelming consensus among policymakers that Washington must follow up the $73bn reduction in the US deficit to $148bn *with a further cut in 1988. In the* characteristically blunt language which he has directed across the Atlantic for much of the week, Mr Nigel Lawson, Britain's Chancellor, added yesterday that tax increases in the US were an essential part of that process.

As long as the budget deficit has to be financed by foreign savings, the argument runs, a reduction in the US trade gap will depend on a parallel cut in that deficit.

Mr James Baker, the US Treasury Secretary, has implicitly accepted that view by prodding the President to seek a compromise with Congress. The view in Washington is that Mr Baker does not *like tax increases but* if that is what is necessary to reduce the deficit he will accept them.

The Treasury Secretary, understandably, will look for a complementary response from the surplus nations - particularly West Germany. If the US is to reduce its trade deficit to sustainable levels without an outright recession, then it needs much faster domestic growth in West Germany and Japan. In any event, US success in narrowing the budget gap would reinforce the deflationary impact on the world economy of the stock market crash.

In Bonn and Tokyo, however, there were few signs of a spontaneous acknowledgement that efforts to restore more long-term stability would require action there as well as in Washington. "It will certainly be an issue", one senior official commented. But that was far as he was prepared to go. Without such a shift most economists - official as well as independent - *find it hard to imagine that the* dollar can be sustained at present levels. For the immediate future there is little doubt that central banks will intervene to prop up the US currency, but few are enthusiastic about the prospects of continuing to finance the US budget deficit indefinitely.

There are also real doubts among senior European monetary officials over just how long the US will be able to maintain a commitment to a stable dollar as its economy slows in the run up to next year's presidential election. "Unless Japan and West Germany take up the slack something will have to give - either the dollar or the Administration's opposition to protectionism", one participant in meetings of the Group of Seven *commented this week.*

In present circumstances it is hard to see Japanese investors rushing to buy US securities to finance the deficit. As central banks have amassed around $90bn through intervention this year, Japan's investors have already been canny enough to finance their purchases of US assets with borrowed rather than bought dollars.

The fall in US interest rates - so far sharper than in the rest of the world - has also eroded one of the *key props under the dollar*: the interest rate differential between America and the rest of the world.

So *if* ministers and central bankers were this week proclaiming the success of the Louvre *Accord in insulating the foreign* exchange markets from the chaos elsewhere, it may well be there that they will face their next test.

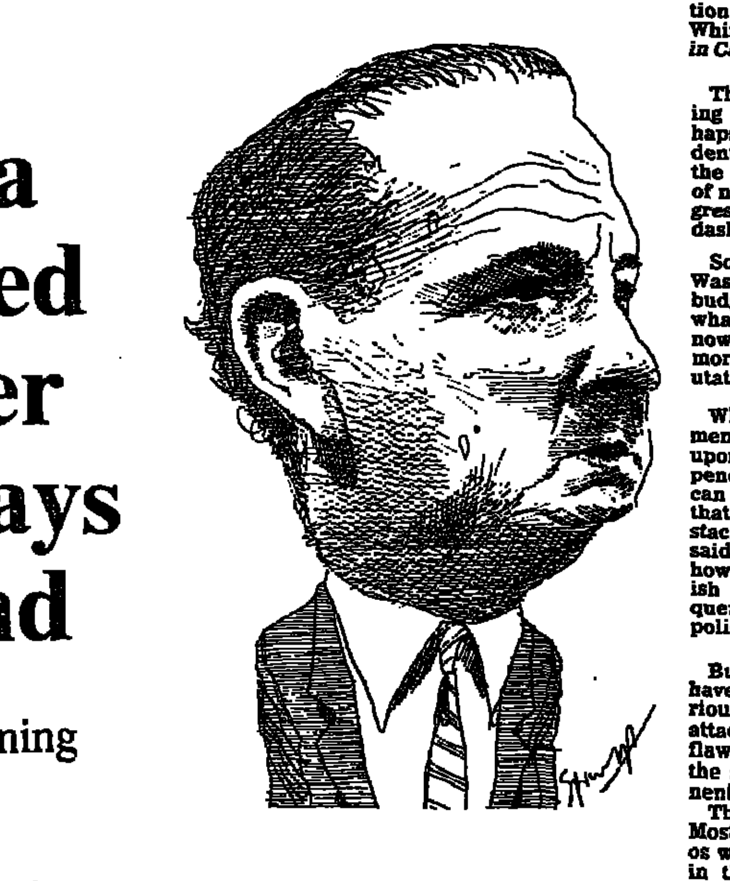
If, and it remains an if, this week's firefighting succeeds in calming the stock *markets and* in averting a full-scale recession, governments still face the prospect of persuading financial markets that they will offer more than words to tackle the imbalances at the heart of the instability.

Man in the News

James Baker

When a seasoned gambler overplays his hand

By Stewart Fleming in Washington



WHEN Mr James Baker took over as US Treasury Secretary in February 1985, and picked up the cards his predecessor had left on the table, there were no aces in the hand.

The Federal budget was out of control, and his colleagues had transformed a rising dollar into a national virility symbol, heedless of the warnings that the mushrooming trade deficit created by an overvalued dollar would sap the nation's strategic *as well as economic strength.*

Mr Baker could not complain about the hand he had been dealt. While he had fought the good fight for fiscal responsibility in the early years of the Reagan presidency, he can scarcely claim to have been an innocent bystander as the foundations were laid for the multi-billion dollar budget and trade deficits, given that he was White House Chief of Staff at the time.

When he made his first big move, calling the Plaza meeting in New York in September 1985 to announce a dollar devaluation strategy, he kept his hand hidden, making out that he had palmed not just the aces, but most of the kings and queens as well.

For two and a half years the financial markets, force fed on a diet of excess liquidity and *disinflation, joyfully suspended* their disbelief in American economic policy. And Mr Baker's interlocutors at the international economic policy negotiating table, terrorised by their fear of an American-induced worldwide recession, opted to play for time.

But, as the American saying goes, "it ain't over 'til the fat lady starts to sing." And last Monday she started screaming, as Wall Street went into convulsions at the prospect of a breakdown in international economic policy coordination.

The trigger was Mr Baker's decision 10 days ago to launch another round of carefully calculated public arm twisting of the West Germans, who were persisting in fighting an infla*tion he does not recognise - not* the recession he fears. But he had called everyone's bluff once too often.

It was one scare too many for financial markets already spooked by the inflation fears the Federal Reserve has been fanning and signs of disarray among Washington's politicians.

The question Washington is now asking is "who lost Wall Street", and Mr Baker's name, inevitably, is top of many people's lists.

As the New York Times put it last week, Mr Baker has been one of the capital's "untouchables". But when the Washington Post, the city's barometre of political fortunes, described his reputation on Wall Street as "tarnished" and cited "groundless rumours...that he would be replaced by (former Fed chairman) Paul Volcker", there was no need to read between the lines.

But Jim Baker, scion of one of the foremost families in Texas, is as tough as the cowboy boots he likes to wear when he goes hunting. He is fighting back hard.

Indeed, if only the stock market would calm down, he could claim to be half way there. The West Germans have reduced their interest rates as he wanted, dollar interest rates have gone into reverse and his secret hope of persuading an obstinate President and a fractious Congress to cut a budget deficit deal - even the modest $23bn package now on the table - could be on the verge of realisation. That might help him squeeze some meaningful concessions out of Frankfurt and Bonn.

A man so sensitive to the political tides must know that the costs have already been high, and could go higher. As President Reagan himself admitted on Thursday night "if enough people, without understanding the situation, panicked" because of the Wall Street crash "and decided to put off buying, postponing purchases and so *forth, that could bring on something of a recession.*"

Already, sluggish growth means that serious budget cutting could help to send the US economy sliding. If Mr Reagan's recession scenario were to be realised, then the opportunity would have been missed for deficit reduction in this business cycle and Mr Reagan would have to witness the self destruction of Reaganomics from the White House, not from his ranch *in California.*

Then Mr Baker's hopes of seeing another Republican (perhaps even his friend Vice-President George Bush) elected to the Presidency, and a number of new Republicans to the Congress, *would almost certainly be* dashed.

So as he hurries around Washington trying to engineer a budget deficit deal and head off what he calls an "apocalypse now" economic scenario, much more than his own political reputation is on the line.

When he has a quieter moment he will no doubt reflect upon how and why it all happened on his watch. Mr Baker can perhaps comfort himself that the odds were always stacked against him. "I always said it would end in tears" was how Mr Nigel Lawson, the British Chancellor of the Exchequer, assessed US economic policy last year.

But nonetheless, he seems to have committed *at least* two serious errors: the timing of his attack on West Germany was flawed, and he underestimated the strength of one of his oponents, the financial markets.

This should not be surprising. Most "apocalypse now" scenarios were written around a crisis in the foreign exchange markets, the domestic bond markets or the Tokyo stock market - not Wall Street. But Mr Baker cannot say he was not warned. Mr Volcker and Mr Gerald Corrigan of the New York Fed, market men to their fingertips, have long been saying policymakers should pay more attention to the threat to financial stability inherent in the technological revolution on Wall Street.

They will not be drawing any more comfort *from the accuracy* of their warnings than Mr Baker, who must be crossing his fingers now and praying he can do for himself what he has helped to do so often for his President - snatch at least a partial victory from the jaws of defeat.

The fall of an enigmatic champion

Lester Piggott has been jailed for fraud. He has, says **Ralph Atkins**, always been an outsider

HORSE RACING, the sport of kings, commoners and crooks, must today come to terms with a reputation bruised by the fall of Lester Piggott.

Yesterday's events at Ipswich crown court, when 52-year-old Piggott admitted defrauding the Inland Revenue of more than £1.7m, represented for customs officers and tax officials the first result of a three-year investigation into the horse-racing industry. It leaves in tatters the honour of the champion jockey, turned trainer, who won more than 5,000 races in 37 years.

Code-named Operation Centaur, after the mythical animal with a horse's body and a human head, the investigation started towards the end of 1984. It was triggered by a series of newspaper articles about secret payments made by owners to jockeys.

Their curiosity aroused, a team of six customs and excise officers began chronicling Piggott's racing appearances and estimating his victory bonuses from owners between 1979 and his retirement as a jockey in 1985. They found a significant discrepancy between their calculations and the VAT paid by Piggott on these bonuses.

The Inland Revenue, having looked into Piggott's affairs twice previously, was involved in the investigation at an early stage. VAT fraud and tax evasion, inspectors often find, go hand in hand.

By January 30, 1986, customs and excise officers were ready to pounce. At 7.40am, three officers with search warrants knocked at the front door of Piggott's Newmarket home and offices. Members of another, larger, team simultaneously appeared at about 30 locations around the country visiting jockeys, owners and trainers linked with Piggott. Piles of books, documents and papers were collected and taken away.

Lester Piggott, to the surprise of the officers who planned the raid, was not at home. But he returned voluntarily that afternoon and was interviewed from 2pm to 8pm and then for a further three hours the next morning.

Piggott went to Price Waterhouse, the accountancy firm, for help in sorting out his affairs. The accountants and customs officials eventually agreed that VAT payments totalling £140,000 remained outstanding. Charges subsequently brought by the Inland Revenue alleged Piggott had failed to declare income totalling £3.18m. When he appeared before Newmarket magistrates in December last year, bail was set at nearly £1m and Piggott was forced to sign over the deeds of his Newmarket home and the stables, which can accommodate 100 horses.

The undisclosed earnings came from race winnings and extra payments made by owners employing Piggott as a jockey, from the sale of shares in racehorses and from bloodstock transactions. *The outstanding* tax has since been paid and the customs and excise investigation has been closed. For the Inland Revenue, however, inquiries into the horse racing industry continue; officials refuse to speculate on whether further charges are imminent.

As he stood in the dock and muttered an almost inaudible guilty plea, Piggott looked dejected and confused. He is a small, grey-faced man, but not as small as might be expected of the jockey pictured finely balanced on fast, sleek horses.

Throughout his long career, Lester Piggott has puzzled commentators and the racing public alike. He won admiration for his sheer commitment to victory, but was also daubed with less flattering stories of his stony seriousness, his parsimony and his habit of pinching valuable rides from less fortunate jockeys. Apart from the jail sentence imposed yesterday, he also now faces the possible cancellation by the Jockey Club of his training licence.

Born into a horse racing family, Piggott had to overcome a childhood problem with deafness. It was also claimed in court yesterday that brain damage incurred during his career could have impaired his judgment.

In his official biography*, Piggott's long-time friend, the racing novelist Dick Francis, cites numerous example of his unbridled competiveness, including excessive use of the whip, which led to suspensions, injury and occasional disgrace.

Two themes stand out from the biography. The first is Piggott's financial fickleness. In the 1960s, for example, the champion jockey parted from the stables of Noel Murless. "Noel's roots were in the gentlemanly tradition where success *was its own reward, but Lester* frankly wanted to make money," says Francis.

The second strand is the closeness between Piggott and *the horses he rode.* "Lester knows horses like other people know people," wrote Francis. "He recognises their faces, learns their heads. They all *look different to him.* Once he's met them and got to know them, he's familiar with them and can identify them anywhere, instantly."

Piggott's *less than perfect* behaviour on the race course, however, was neither wholly unusual, nor the subject of universal disapproval. Piggott the *nonconformist, the successful* outsider is as much part of the legend as Piggott the champion.

But his downfall has shaken the racing industry. "There is nobody with a better reputation than Lester," Dick Francis said last week. "I think he has been used very badly by the Inland Revenue. They are trying to make an example of him."

Horse racing is a business with strong social divisions. Wealth is a prerequisite of owning race horses, since even in a good season, prize money may not cover expenses. Many are successful businessmen; others are more blue-blooded. At the other end of the spectrum are the stable lads, working very long hours, typically for £110 a week. Jockeys and trainers stand somewhere in between. Similar divisions are visible among racing spectators.

The common attraction is the excitement of a race. Armed with the basic information about a horse - its record, jockey and trainer - all human beings become equal at the hands of the bookies.

Piggott: "badly used by the Inland Revenue. They are trying to make an example of him," says Dick Francis

Racing is currently enjoying a renaissance. Attendance at race courses fell from a peak of more than 4m in 1980 to about 3.5m in 1983, but had climbed back almost to 4m by 1986. Total prize money for both flat races and jumping has risen from £11.8m in 1977 to £27.3m last year. On television only snooker and cricket have more air time.

Such a burgeoning industry requires firm handling if aggressive and competitive instincts, spiced with high financial stakes, are to be restrained.

Responsibility for licensing jockeys and trainers like Lester Piggott lies with the Jockey Club - an establishment founded in 1751 and run largely by racing enthusiasts.

Its Newmarket premises date from the late 18th century but the registered office in Portman Square, London, is in a post-war office block where the grandly framed oil paintings of horses sit oddly on its utilitarian walls.

The club enforces rules about stable standards. It has powers to suspend or disqualify, and to scrutinize accounts. The six Jockey Club stewards are elected on a rolling basis by 111 ordinary members, while the new ordinary members are elected by existing members.

This self-perpetuating system has the advantage of continuity and experience, but critics argue the club is a cumbersome and elitist organisation which relies too much on the good faith of participants.

Peter Twite, head of administration at the Jockey Club, disagrees. "We certainly don't regard everybody as being totally honest, especially these days bearing in mind the amount of money that is involved.

"We have our villains. Racing needs a certain raffishness to make it attractive because everybody on a racecourse is out for number one."

Business and personal tax affairs are the responsibility of the individual, he argues. The Jockey Club cannot be held responsible for the activities of Lester Piggott, any more than it can when a trainers or jockey is arrested for drunk driving. The disciplinary record of the club, says Twite, is envied by most other sporting organisations.

It will be some time, however, before horse racing recovers from the bruises incurred in the fall of Lester Piggott.

* *Lester: The Official Biography, by Dick Francis. Published by Michael Joseph and Pan Books.*

The Barschel Affair

Crusaders at the edge of scandal

By David Marsh

"THE TRUTH comes first" is the title of a self-congratulatory editorial in this week's special edition of the West German magazine Stern. In it, Mr Heiner Bremer, the editor, declares that newspapers which have criticised Stern's style are simply jealous of its scoops.

The magazine was on the streets four days early to serve *up fresh clues over the death of* Mr Uwe Barschel, the former Prime Minister of Schleswig Holstein.

On the front cover is a picture *of the dead man's face - photo*graphed in the hotel bathtub in Geneva where he was discovered, fully clothed, by Stern reporters 14 days ago.

Inside, the magazine publishes copies of scribbled notes left in his hotel room, found by the Stern journalists before the police were called. Clearly with little regard for the capacity of the Geneva police to work out such things for themselves, Mr Bremer says the notes, "could solve the riddle: was it murder or suicide?"

Yet Stern's self-proclaimed crusade for the truth is being labelled by other newspapers as a betrayal of journalistic standards, camouflaged by self-righteous editorial jingoism.

The Barschel scandal has already sent a shock wave through the political landscape. Now, in an unusual editorial war of words, it is also opening up a debate over the ethics of the press.

Mr Barschel resigned last month after allegations by Der Spiegel, the news magazine, that he launched a "dirty tricks" campaign against a political rival - Mr Bjoern Engholm, the leader of the Schleswig Holstein Social Democratic Party - during the run-up to last month's Schleswig Holstein state election.

The autopsy report last week showed that Mr Barschel had swallowed sleeping tablets and tranquillisers. It now seems apparent - though not yet completely certain - that he committed suicide. Even his own Christian Democratic Union (CDU) party is becoming convinced that the allegations are true.

Der Spiegel was heavily attacked by the CDU when, last month, it published its original story at the time of the poll. In remarks which he must now be regretting, Mr Gerhard Stoltenberg, the Finance Minister, who is also chairman of the Schleswig Holstein CDU, claimed the affair was simply an invention of the "left-wing fighting press." Chancellor Helmut Kohl kept up the attack last weekend when he criticised the media's *overall role in the scandal.*

Indeed, Der Spiegel did show a lack of journalistic rigour in the way it handled the initial allegations against Mr Barschel.

Barschel: found dead in Geneva

The magazine played down the dubious past of its informant, Mr Reiner Pfeiffer. Mr Pfeiffer was hired by Mr Barschel to carry out the smear campaign against Mr Bjoern Engholm - and then, after several months of undercover work, broke the story to Der Spiegel.

But Mr Stoltenberg's remarks undoubtedly did the magazine an injustice. Der Spiegel is a journal that leans to the left, but it is not guided by respect for political parties, and in the past has unearthed scandals involving both left and right.

Mr Rudolf Augstein, founder and publisher of Der Spiegel, wrote a hard-hitting editorial this week, rebuffing criticism that his magazine had been over-aggressive.

These charges have been levelled *not just* by the CDU but also by liberal opinion led by an agonised Mr Theo Sommer, editor of the Hamburg intellectual weekly Die Zeit. Last week Mr Sommer wrote that Der Spiegel's "muck-raking" had done democracy a service, but said the magazine's presentation had been "questionable".

"Der Spiegel does not have to ask itself how it will treat politicians in future," thundered back Mr Augstein, recalling how he was sent to jail in 1962 after Der *Spiegel enraged the CDU gov*ernment by publishing sensitive information about defence. "Rather, the politicians will have to ask themselves whether *they will carry on giving Der* Spiegel and other organs the possibility of denouncing them for what they are - ruthless hunters after power and position."

Stern, leaning towards the left like Der Spiegel, is a picture rather than a news magazine. It has been trying hard to *be more serious after its loss of* reputation with the publication of excerpts from the fraudulent Hitler diaries in 1983. But, as this week's edition shows, the magazine has not lost its penchant for glossy sensationalism.

Mr Henri Nannen, founder of Stern, who was in charge at the time of the diaries debacle, wrote a truculent article last week saying "powerful men must be frightened to death when journalists come on their trail."

That comment prompted Mr Dieter Schroeder, editor of the liberal Sueddeustche Zeitung, to make the charge that Stern's crusade for morality was really a battle for circulation.

Mr Augstein, who does not usually go in for preaching, said that if Spiegel reporters had ventured into the fateful hotel room, they would have tried to help Mr Barschel rather than taking photographs.

And Mr Werner Holzer, editor of the left-leaning Frankfurter Rundshau, wrote on Tuesday that however much Stern was praising itself, it seemed to be chasing sensation, not the truth.

Meanwhile the conservative Frankfurter Allgemeine Zeitung has been muttering darkly about a Republic run by "illustrated magazines". That no doubt goes too far. But the conduct of the press during the Barschel affair, like that of the politicians, can hardly fill the Republic with pride.

Letters to the Editor

Frenzied trading

From Mr P Arbuthnot.

Sir,- The last few days have been a fascinating indictment of the Stock Market's new technology-aided dual capacity system. When I gave buying instructions to my broker amidst the frenzied fall one order was carried out at a level at least 40p above *all* the screen trades, the other was not executed at all because market-makers, apparently, would not answer the telephone. One famous firm of unit trust managers would not provide any quotations for the previous day's Tokyo trading.

Not only has computerised push-button trading between so many market makers clearly helped to create the wild gyrations but it has also destroyed the reality of the Stock Exchange as a trading market place.

On the old-style Stock Exchange floor jobbers faced the howling pack bravely. Today, mesmerised behind their TV screens or furiously re-adjusting their non-existent prices, market makers can cower behind the endlessly ringing telephone or the safety of the 'fast trading/indication only' prices.

An improved service for clients? I wonder.

P G Arbuthnot,
33 Mall Road W6.

Reacting to panic

From Mr T Finnegan.

Sir,- Once again stock markets around the world are reacting in massive panic to the sudden realisation by the US that balance of payment deficits have ultimately to be paid for. Why the sudden and manifest panic over something which has been perfectly clear to any reasonable observer over the past 18 months, I just cannot understand.

Of course, our sophisticated stock exchanges have also not yet realised that the great strength and manufacturing power, coupled with the real generation of wealth, has in the last 15 years been steadily moving away from the US, back into western Europe and into the newly emergent nations of the Pacific basin.

We manage *large sums of* money for local investors and our advice is stick with UK equities until the world realises that whatever happens to the North American economy, the UK economy is the most strongly based on earth and will survive the current round of immaturity.

T M Finnegan,
North of England Investments,
53 Market Place,
Richmond, Yorks.

Licensed dealers

From Mr R Floyd.

Sir,- With inspired foresight, Judith Lyons submitted her letter in time for publication on October 19, the very day on which the volatility of the Stock Market was so amply demonstrated.

The collapse of a number of licensed dealers, who have handled large sums of investors' money after only a short period of trading does indeed draw attention to a need for the tightening of the licensing requirements by DTI and FIMBRA. No doubt this will happen in the light of experience.

While applauding the thrust of Miss Lyons argument, perhaps I may correct any misunderstanding caused by her statement that "...in Financial Management Services where there was also no money left." As one of the appointed administrators of FMS, I put before creditors as a meeting held on September 14 (at which incidentally Miss Lyons was present) proposals expected to result in a payment of some forty pence in the pound to investors. Not the happiest situation for investors but at least the new procedures introduced by the Insolvency Act have helped accomplish a better net return than might have been expected from an old fashioned liquidation.

Richard E Floyd,
Floyd Harris Bradley-Hole,
Clifford Inn,
Fetter Lane, EC4.

Objectives for the DTI

From the Deputy Chairman, British Export Houses Association.

Sir,- The most telling phrase of the day, if not the decade, *featured in Kevin Brown's article* "Young announces change in DTI policy objectives" (October 14). Lord Young's objectives and plans for a review of the department's role quote "make no mention of trade policy".

One job in three in the UK depends on our international trade. The UK is more successful, per capita, than many of our much-vaunted competitors. Yet the Government sits back complacently, unresponsive to re*peated calls from the profes*sional exporting community for a better allocation of resources.

We are not asking for more money; we are not asking for subsidies. What we do need is a greater commercial awareness at Government level, more professional commercial representation overseas, and a strategic business plan for UK Ltd.

Numerous ideas have been put to Government through this association. These include restructuring civil service recruitment and career ideology to develop a cadre of commercial diplomats specialising in overseas trade relations, the encouragements of co-operative ventures in export marketing, a reduction in the complex bureaucracy inherent in dealing with several different government departments - all of whom "pass the buck" on export matters, and the management of export promotion activities on a strategic rather than an expediential basis.

Inner-city redevelopment, wealth creation, industrial regeneration and a climate of enterprise will all result from a strong international trading position, as Japan and West Germany have proved over the last 40 years.

The Government spends millions per year on export promotion. The same budget could be far more effectively spent, and probably trimmed, by a more realistic understanding of what is actually required by UK's international traders.

A fundamental truism of the Thatcher philosophy has always been the emphasis on market forces. Assist British industry to compete on equal terms with the rest of the industrialised world, and Lord Young will get all the market led industrial growth his department can handle.

I J Campbell,
Caffrey, Saunders & Co.,
Britannia House,
Hockerill Street,
Bishops Stortford, Herts.

Stimulating taxes

From Mr C Emson.

Sir,- Unfortunately some lines were omitted when you printed my letter on October 17. The relevant passage should have read: Mr Gordon Brown no doubt genuinely feels the need to say something, but he would have difficulty in identifying any loopholes which would be supported by the tax courts.

Colin J Emson,
29 Albemarle Street W1.

Sports and games

From the Headmaster, Repton School.

Sir,- I was distressed to read Alan Forrest's article on school sports (October 17) claim that Repton was a school which gave sports scholarships. This is categorically not the case and the only scholarships which we offer are for academic achievement. All our pupils are expected to be of a *high* academic standard and the success of the school in sports, but particularly in tennis, is solely due to parents' desire to send their sons and daughters to a school where they will benefit from first class encouragement, coaching and facilities.

It is important that the record be put straight and that if your correspondent had himself been misled, others should not be similarly misinformed.

G E Jones,
The Hall,
Repton, Derby.

Fallacy of means testing

From the Chairman, Campaign for Equal State Pension Ages.

Sir,- Lombard in his "Fallacy of means testing" (October 19) is, surely, confusing apples with pears? The state pension is a contributory benefit for which the contributor has paid NI over a long period. Child benefit is most certainly not.

If the Duke of Westminster has had an earned income he will have paid NI contributions, and if his record is sufficient he should be as entitled as the next person to state pension upon the cessation (or substantial cessation) of that income. Indeed, as the "next person" might well be a woman, and if "value for money" means anything at all, he should be entitled to draw the basic state pension from 60 if then substantially retired or from his later date of substantial retirement.

That is an entitlement as against the state for which he, along with all other of his age *cohort, will have duly and am*ply paid. The only "test" for it should be substantial retirement and achievement of a minimum age.

David Lindsay,
36 Orchard Coombe,
Whitchurch Hill,
Reading, Berks.

Westminster's rates

From the Chairman, Financial Management and Personnel Sub-Committee, City of Westminster.

Sir,- Your article on the community charge October 15 contains Mr Cunningham's assertion that Westminster City Council is set to lose more than £400m from the introduction of the uniform business rate.

While Mr Cunningham's calculation of the value of Westminster's non-domestic rate is broadly correct, it is completely misleading to claim that the city council will lose control of this income. In the current year, Westminster collected £424m from its non-domestic ratepayers. The city council, however, paid over £452m of its income to the various precepting bodies such as the Inner London Education Authority and Metropolitan Police and in the form of London rate equalisation. Westminster's commercial rate, therefore, is collected by the council for the benefit of all London authorities.

The essential change under uniform business rate will be that while the council will continue to collect non-domestic rates, the income will be distributed by central government from the national non-domestic rate pool for the benefit of the entire country. The council and its residents and ratepayers will continue to benefit from our efficient management and investment of this rate income before it is dispersed by government.

(Councillor) Barry Legg,
City Hall,
Victoria Street, SW1.

Investors' benchmark

From Mr J MacQueen.

Sir,- Mr Frost (October 16) has misunderstood the difference between absolute risk and risk relative to a benchmark. Presumably the suggestion from the Securities and Investments Board that unit trusts should be graded according to their riskiness refers to their absolute risk: thus, an index fund would have a risk similar to that of the market as a whole, whereas a more active stock-picking fund would be likely to have a much higher risk.

The riskiness perceived by any particular investor of a holding in a unit trust will depend both on the size of the holding as a proportion of the investor's total protfolio, and on the benchmark against which the investor is comparing his or her performance. To illustrate *this by an extreme, but simple,* example, a holding of 100 per cent in an index fund unit trust would be perceived as very risky by a widow whose benchmark was a deposit account, but as virtually riskless by a pension fund which was comparing its performance to the market index. Risk is essentially a function of the investor's benchmark.

Jason MacQueen,
Quantec,
68 Laight Street,
New York, NY10013.

ADVERTISEMENT

BUILDING SOCIETY INVESTMENT TERMS

	Product	Applied rate net	Net CAR	Interest paid	Minimum balance	Access and other detail
Abbey National (01-486 5555)	Sterling Asset	8.50	8.50	Yearly	Tiered	Inst. ov. £10K 8.25/7.75+bonus
	Five Star	8.00	8.00	Yearly	Tiered	Instant 7.75/7.50/7.00/6.75
	Cheque-Save	7.85	7.50	½-yearly	Tiered	Chq. bk. 7.36/6.88/4.45
	Share Account	5.00	5.06	½-yearly	£1	Instant access
Aid to Thrift (01-638 0311)	Ordinary Sh. Ac.	8.25	8.42	½-yearly	£1	Easy withdrawal, no penalty
Alliance and Leicester*	Prime Plus	8.75	8.75	Yearly	£10,000	3 m. nt. 8.50 £2½K+, 8 £500+
	Gold Plus	8.00	8.00	Yearly	£25,000	Tiered to 6.50 £500+, inst. acc.
	BankSave Plus	7.25	7.25	Yearly	£10,000	6.75 £2½K+, 5.75 £1+ cur. a/c
	ReadyMoney Plus	5.00	5.06	½-yearly	£1	ATM access (min. bal. £100)
Barnsley (0226 299601)	Summit 2nd max.	8.25	8.25	M./Yearly	£1,000	90 days' not./pen. bal. – £10K
Birmingham Midshires (0902 710710)	Premier Access	8.00	8.00	Yearly	£25,000	Tiered rates from £100
	Premier Bonus	8.75	8.75	Yearly	£1,000	Differential guaranteed 2 years
Bradford and Bingley (0274 561545)	Maximiser Bonus	7.50	7.50	Yearly	£1,000	Inst. acc. Bonus for no wthdrwls.
	Maximiser Inc.	8.25	8.25	Monthly	£5,000	3 mths. Plus 0.25% for £25,000
	Maximiser Grwth.	8.50	8.50	Yearly	£5,000	3 m. nt. Plus 0.25% for £25,000
Bristol and West (0272 294271)	Matrixcard	5.00	5.06	½-yearly	£1	Inst. Acc. £500 6.85
	No. 1 Capital	8.60	8.60	Yearly	£25,000	3 months' notice, £500 8.30
	No. 1 Income	8.30	8.62	Monthly	£25,000	3 months' notice, £500 8.00
	Triple Bonus	8.10	8.10	Yearly	£25,000	Tiered to 7.30 £500+, inst. acc.
	Share Account	5.00	5.06	½-yearly	£1	Instant access, no penalty
	O'seas Inv. Bd.	—	—	Yearly	£1,000	11.00 gr. 3m. nt. non-UK res.
Britannia (0538 399399)	Tr. Supr. Gold +	8.20	8.20	Yearly	£25,000	Immed. access. Mthly. inc. avail.
Cardiff (0222 27328)	90-Day Account	8.05	8.21	½-yearly	£1,000	Inst. acc. if min. bal. £10K+
Catholic (01-222 6736/7)	Jubilee Bond II	8.50	8.50	Monthly	£2,000	90-d. pen./not. m. int. t/r. 8.71
Century (Edinburgh) (031 556 1711)	Fxd. Rate 2/3 Yrs.	8.80	8.80	Yearly	£1	Guaranteed rate 2/3 years
Chelsea (01-602 0006)	Lion Shs. (S. Iss.)	8.75	8.75	Yearly	£500	Imm. wdl. int. pen. or 3 mths.
Cheltenham and Gloucester (0242 36161)	*Chelt. Gold*	*8.00*	*8.00*	*Yearly*	*Tiered*	*8.00/7.75/7.00/5.00. No nt./pn.*
	Gold Mthly. Int.	7.72	8.00	Monthly	Tiered	No notice/penalty
Cheshunt (0992 26261)	Spec. 4-Term Sh.	8.75	8.75	M./Yearly	£20,000	90 days' notice/penalty
	Instant Access	8.05	8.05	M./Yearly	£20,000	Instant access. Tiered a/c
City of London, The (04862 28233)	Capital City Gold	8.35	8.35	Yearly	£17,500	Instant access. Tiered account
Coventry (0203 52277)	Moneymaker	8.05	8.05	Yearly	£10,000	Inst. acc. no pen. mthly. int.
	Moneymaker	*7.80*	*7.80*	Yearly	*£5,000*	*£10,000 7.77, £5,000 7.53*
	3-Year Bond	8.50	8.50	Yearly	£1,000	Close 90 days' not. & penalty
	90-Day Option	8.50	8.50	Yearly	£5,000	£500+ 8.25 90 days' not/pen.
Frome Selwood (0373 64367)	Gold Minor Acc.	8.50	8.68	½-yearly	£1	On demand: 0-18-year-olds
Gateway (0903 68555)	Star 60	8.25	8.25	Yearly	£20,000	60 days' pen./not. £500+ 8.00
	Gold Star	8.00	8.00	Yearly	£20,000	Inst. £10K+ 7.75, £5K+ 7.50
Greenwich (01-858 8212)	2-yr. term Share	9.25	9.25	Yearly	£2,500	No partial withdrawals
Guardian (01-242 0811)	Premier Shares	8.45	8.72	Quarterly	£3,000	No not./pen. to bal. £3,000+
Halifax*	90-Day Xtra	7.75	7.90	M./½-yrly.	£500	90 days, but
	90-Day Xtra	8.00	8.16	M./½-yrly.	£10,000	instant where
	90-Day Xtra	8.25	8.42	M./½-yrly.	£25,000	£5,000 remains
Hendon (01-202 6384)	3-Month Shares	8.33	8.50	½-yearly	£1,000	3 months' notice
Lambeth (01-928 1331)	Regal Shares	9.10	9.10	Yearly	£250	Inst. ov. £8K, 60d. after 1st yr.
Lancastrian (061 643 1021)	Masterplan	8.75	8.75	Yearly	£15,000	Instant access no penalty
Leamington Spa (0926 27920)	Fully Paid	5.10	5.16	½-yearly	£1	Immediate
	High Flyer	8.25	8.25	Yearly	£10,000	Withdrawals on demand
		7.55	7.55	Yearly	£1,000	without penalty
	Super 90	8.50	8.50	Yearly	£10,000	90 days' notice or imm. acc.
		8.00	8.00	Yearly	£1,000	+ 90 days' loss of interest
Leeds and Holbeck (0532 459511)	Capital Interest	8.25	8.25	Monthly	£5,000	90 days' notice or penalty
	Capital Access	8.50	8.50	Yearly	£5,000	Same N/A on bal. £10,000+
Leeds Permanent*	Liquid Gold	7.00	7.00	Yearly	£500	7.5 £5K+7.75 £10K+8 £25K+
	Premium Reserve	8.50	8.50	Yearly	£5,000	3.25 premium guaranteed 1 yr.
	Pay & Save	5.00	5.06	½-yearly	£1	7.00 £2,000+
Marsden (0282 692821)	Rainbow	8.50	8.50	Yearly	£25,000	Min. bal. £500+ tiered int.
	Rainbow	8.30	8.30	Yearly	£10,000	+ Instant access no penalty
Mornington (01-485 5575)	2-Year Term	9.25	9.25	Yearly	£3,000	90 days' penalty
National and Provincial*	Security Bond	9.00	9.00	Yearly	£500	2yr tm 4% df gd 90 dys' pn to cls
	Notice Account	8.50	8.50	Yearly	£500	90 days' notice or penalty under
	Monthly Income	8.20	8.20	Monthly	£1,000	£10,000
	Inst. Access	8.00	8.00	Yearly	£30,000	No notice no penalty
National Counties (03727 42211)	Emerald Shares	9.00	9.00	Yearly	£25,000	Immediate if £20,000 remains
Nationwide Anglia (01-242 8822)	Capital Bond	8.50	8.50	Yearly	£1,000	90 days' notice or penalty
	BonusBuilder	8.00	8.00	Yearly	£25,000	7.75 £10K+, 7.50 £5K+, 7.25 £2K+, 6.75 £500+, 5.00 £1+
	Capital Bonus	8.50	8.50	Yearly	£25,000	8.25 £10K+, 8.00 £5K+, 7.75 £500+
	Income Bond	8.25	—	Monthly	£2,000	90 days notice or penalty
Newbury (0635) 43676	Instant Premium	8.25	8.25	Yearly	£25,000	Instant access. Tiered a/c
	Treasure Plus	8.50	8.50	Yearly	£25,000	3 mths. not./pen. Tiered a/c
Newcastle (091 232 6676)	Super 90	8.50	8.50	Yearly	£500	90 days' notice or penalty
	Nova Plus	*8.05*	*8.05*	*Monthly*	*£20,000*	*Instant access, tiered account*
Northern Rock (091 285 7191)	Mnyspinner. Plus	8.30	8.30	Monthly	£20,000	Instant access no penalty
		8.05	8.05	Monthly	£10,000	Instant access no penalty
		7.60	7.60	Monthly	£5,000	7.35 £500+ Instant access
	Prem. Gwth. Bnd.	8.30	8.62	Monthly	£5,000	No wdls. 1 yr. then no not./pn.
Norwich & Peterb'gh (0733 51491)	Premier Plus	9.00	9.00	Yearly	£25,000	8.50 £5,000+, 50 days' nt./pen.
Nottingham (0602 481444)	Super 90	8.50	8.50	Yearly	£20,000	No penalty over £10K
Portman (0202 292444)	Prem. Plus Shs.	8.25	8.25	M./Yearly	£50,000	3 mths' notice/imm. 1 mth. pen.
Portsmouth (0705 291000)	3-Year Share	8.65	8.84	M./½-yrly.	£500	No restrictions over £10,000
Regency (0273 724555)	Plus	8.40	8.40	Yearly	£25,000	No nt./pn. £5K 8.05, £500 7.25
Scarborough (0723 368155)	Sel. Gld. Cap. Bd.	8.50	8.50	M./Yearly	£10,000	60 days' not. or loss of int.
Skipton (0756 4581)	Sovereign	8.40	8.40	Yearly	£10,000	Instant access/No penalty
	Sovereign	7.75	7.75	Yearly	£5,000	Monthly income available on
	Sovereign	7.35	7.35	Yearly	£500	investments of £2,500+
Stroud and Swindon*	Century (2-year)	8.75	8.75	Yearly	£20,000	8.50 £2,000+, 90 d. nt./int. pn.
Town and Country (01-353 1476)	1-Yr. Super Term	9.10	9.10	Yearly	£1,000	Guaranteed 4.10 differential
	Moneywise	7.75	7.75	Yearly	£25,000	Chq. bk., Visa/ATM cds. int. var.
	Super 60	8.50	8.50	Yearly	£10,000	Withdrawal available
Wessex (0202 767171)	Ordinary Shares	8.00	8.16	½-yearly	£1	No notice no penalties
Woolwich*	Capital	7.75	7.90	M./½-yrly.	£500	90 d. not./pen., £10K+ imm.
	Prime	8.00	8.00	Yearly	£20,000	Instant access. 7.00 £500+, 7.50 £5K+, 7.75 £10K+
	Gurntd. Prm. Shs.	*8.50*	*8.50*	*M./Yearly*	£10,000	90 days' not./pen. *£10K+* imm.
Yorkshire (0274 734822)	Platinum Key	8.00	8.00	Yearly	£500	60 days' notice/penalty
	Platinum Key	8.25	8.25	Yearly	£10,000	Instant over £10,000
	Platinum Key	8.50	8.50	Yearly	£25,000	Instant over £10,000

* For telephone see local directory. CAR = Annual yield after interest compounded

24/10

FINANCIAL MARKETS READJUST

HK expects one-point cut in interest rates today

BY DAVID DODWELL IN HONG KONG

A CUT of one percentage point in local interest rates is expected to be announced today as the Hong Kong Association of Banks follows banks elsewhere in attempting to stem panic selling on equity markets.

Last Monday, the market saw an unprecented 420 point fall to 3,362 in the Hang Seng Index, wiping 11 per cent off share values in the Territory. When the stock exchange committee decided to close the exchange on Tuesday morning - claiming the backlog of settlements had got out of control - many were anticipating a fall to 2,600 or beyond.

Meanwhile Mr Li Kashing, head of four of Hong Kong's largest companies, has proposed that take-over laws be suspended in the Territory when the stock market opens again on Monday so that he can buy his own shares on a huge scale if they come under fierce selling pressure.

"We are willing to put serious money into the market," said Mr Simon Murray, managing director of Hutchison Whampoa, one of the four companies controlled by Mr Li. These companies account for almost 20 per cent of Hong Kong's stock market capitalisation, so a successful defence could provide valuable support.

At present, such tactics are impossible because Mr Li owns close to 35 per cent of the shares in certain of the companies and cannot under existing exchange regulations raise his stakes further without triggering a full bid.

Mr Li has also insisted that rights issues in these companies - Hutchison, Cheung Kong, Cavendish International and Hongkong Electric - amounting to HK$10.4bn will go ahead as planned.

In contrast with Mr Li's decision, the Lau family, which controls Chinese Estates, the property development group, yesterday abandoned plans for a HK$3bn rights issue.

While the reopening of the stock market on Monday is a matter of concern, the fate of the futures market continues to preoccupy the government. Many futures market investors are understood to have been left hopelessly over-extended.

Some could be ruined if forced to honour commitments when the futures market reopens, probably on Monday, and it is in a bid to prevent this that the government has been in permanent huddle since Tuesday.

Senior executives from Hambros, the UK merchant bank appointed on Thursday to advise the government on a rescue plan, are expected to produce firm proposals by today.

HK dealers face bleak opening

BY GORDON CRAMB

MANAGERS of Hong Kong funds for UK investors, unable to deal last week, spoke bleakly yesterday of a long and chilly night ahead tomorrow as they attempt to track from London the extent of the slide likely to occur when the Territory's stock market reopens.

"We'll be up for the event," said Mr Iain Clark, who runs the Far East side of Henderson Unit Trust Management. Through one specialised and other broader funds, it had around £75m in Hong Kong at pre-suspension prices.

Though this was only 3 per cent of a unit trust portfolio totalling about £2.25bn, the weighting is fairly typical of British enthusiasm for Hong Kong, which has represented closer to 1 per cent of world capitalisation.

To stem the anticipated rush to sell, the Hong Kong Unit Trust Association is expected to fix a redemption limit on local funds allowing holders to sell only 10 per cent of their units each day.

Gartmore Fund Managers, in addition to its UK authorised trusts, also operates within the territory with domestic unit trusts bought largely by Hong Kong Chinese. Mr Peter Scott, international investment director, concedes freely: "Because we have been so successful in the past, we will probably have the longest queues at our doors."

Broken Hill bond issue withdrawn

BY STEPHEN FIDLER, EUROMARKETS CORRESPONDENT

CONVERTIBLE BOND issues which would have raised just over A$1bn for Bell Resources, the mining and energy arm of Mr Robert Holmes a Court's business empire, have been withdrawn by the lead manager Merrill Lynch.

Merrill said the three-part issue, convertible into the shares of Broken Hill Proprietary in which Bell has a 28 per cent stake, was withdrawn "owing to unprecedented volatility and adverse changes in world financial market conditions."

The pulling of the issue, launched on October 7, was criticised elsewhere in the Eurobond market because the precise terms of the bond had been fixed and had in effect been trading for 10 days.

Because of the sharp drop in BHP's share price this week, the price of the bonds had fallen 10 per cent or more since issue. Holders, including the lead manager, would thus be subject to substantial losses. Merrill Lynch would not comment on the proportion of the issue left on its books.

The issues, all maturing in 10 years, comprised a US$550m dollar tranche, a A$200m portion and a £50m sterling portion. When the terms were set, they were convertible into BHP shares at premiums of between 20 and 25 per cent.

BHP's shares closed in Melbourne at A$7.90 yesterday, some 25 per cent down on the October 7 price.

As much to do with confidence as monetary policy

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

INTEREST RATES came down because this week's precipitous collapse in the stock market and the sharp improvement in Britain's trade position last month had dispelled any lingering fears that the economy was "overheating".

That official rationale of yesterday's ½ point cut in base rates to 9½ per cent was clearly plausible. But like most such explanations, it did not tell the whole story.

Amid expositions about how monetary conditions have tightened - people are poorer so they will spend less, the cost of equity capital for industry has gone up - it was obvious that the move had as much to do with confidence as monetary policy.

Despite the calculated optimism of Mr Nigel Lawson, the Chancellor, over the resilience of Britain's economy in the face of the worldwide collapse in markets, the possibility of an interest rate cut to restore calm has been under discussion since the crash began.

It was only finally decided at a meeting between the Chancellor and senior Bank of England officials in Downing Street yesterday morning. But the stock market's failure to sustain Wednesday's brief rally had made the cut virtually inevitable.

Figures earlier in the week showing a £4.4bn rise in lending by commercial banks - a statistic which would normally lead the Bank at least to look for higher, rather than lower, borrowing costs - became an irrelevance.

With interest rates coming down throughout the world - and the commitment to hold the pound under DM3 as strong as ever - it was clearly illogical to hold British borrowing costs at 10 per cent. (Interestingly, however, the cut was not part of any formal concertation between governments of the Group of Seven).

What is less certain is the extent to which yesterday's move is the beginning of a more sustained downward trend. That, of course, will depend to a large extent on whether the markets stabilise next week, or whether the slump continues.

If the timing of this week's reduction was dictated by the stock market rather than by any disinterested assessment of the stance of monetary policy, it is generally agreed that the impact has been to improve the outlook for inflation next year.

Economists disagree as to the extent to which demand in the economy will be hit by the impact of the crash on consumers and industry, but most are revising down their forecasts for inflation in both Britain and the rest of the world.

In those circumstances a further reduction cannot be ruled out if equities resume their slide next week.

RELATIVE STOCK MARKET PERFORMANCE OF SOME OF THE WORLD'S LARGEST COMPANIES

	Closing October 9	Closing Yesterday	Percent change
US ($)			
Citicorp	56⅜	41¼	−25.9
Merrill Lynch	36¾	27½*	−25.2
USX	36¾	27¾*	−24.5
Sears Roebuck	48⅛	36⅞*	−23.4
General Motors	74½	58*	−22.1
IBM	147⅞	120*	−18.6
Merck	200	163*	−18.5
Cigna	66⅛	55¼*	−16.4
RJR Nabisco	62¼	50¼*	−12.9
Coca Cola	45¼	40½	−10.5
JAPAN (Y)			
Matsushita	2760	2040	−26.1
Toyota	2400	1800	−25.0
Sony	5500	4240	−22.9
Mitsubishi Corp	2760	2040	−19.4
Nomura	4530	3700	−18.3
Dai-Ichi Kangyo	3230	2830	−12.7
Nippon Steel	441	420	−4.8
NTT	2.92m	2.81m	−3.8
JAL	18700	18100	−3.2
EUROPE			
Glaxo	£17	£11.58	−31.9
British Airways	227p	158p	−30.4
ICI	£16¼	£11.53	−29.0
Electrolux	SKr340	SKr260	−23.6
Telefonica	Pta217	Pta167.20	−22.9
Unilever	623p	485p	−22.2
	Fl132.50	Fl115.50	−15.8
NatWest	767p	610p	−20.5
GEC	237p	193p	−18.6
British Telecom	273p	227p	−16.8
Deutsche Bank	DM667	DM556	−16.6
Fiat	L12145	L10300	−15.2
Nestle	SwFr10750	SFr9150	−14.9
Hoechst	DM319.60	DM272.50	−14.7
St Gobain	FFr523	FFr453	−13.4
Paribas	FFr427.50	FFr375	−12.3
Generali Assic.	L109400	L98850	−9.6
Philips	Fl151.60	Fl141.20	−6.9
Daimler Benz	DM1000	DM938	−6.2
OIL/RESOURCES			
Cons Gold Fields	£14⅜xd	920p	−36.0
BHP	A$10.25	A$7.90	−22.9
BP	363p	287p	−20.9
Shell	Fl260.50	1090p	−19.3
	£13½	Fl223	−14.4
Elf Aquitaine	FFr330	FFr280	−15.2
Exxon	$48⅛	$44*	−8.6

* Closing on Thursday

Few of the world's leading companies escaped unwounded from the bloodiest fortnight in equity markets for many years. But the damage was by no means equally shared, as the adjoining table illustrates, writes Clay Harris.

The companies were chosen to reflect a diversity of geographical markets and corporate sectors, with emphasis on shares with a broad international following.

Among the points worth noting is the relative strength of privatisation issues in Japan and France compared with those in Britain. The weakness of the London market was also underlined by UK shares' unwelcome position atop the European losers and Unilever's and Shell Transport and Trading's considerably worse showings than their Dutch siblings.

In the US, the safety of food, drink and cigarettes, even in the face of a possible recession, was demonstrated by the resiliency of Coca-Cola and RJR Nabisco.

Portfolio insurance comes under fire as possible destabiliser

BY CLIVE WOLMAN

ONE OF the most widespread accusations by those outside the City is that computer-controlled trading has exaggerated, or even precipitated, the slump in the stock market.

The criticism is wide of the mark as far as most computer-led trading strategies are concerned, in particular those which are designed to spot and respond swiftly to arbitrage opportunities.

The main effect of computers is to remove price anomalies more quickly, although in recent days even the computers have failed to keep up with the rapid changes.

However, one recent technique of investment management, portfolio insurance, which relies heavily on statistical analysis and computer-aided decisions, has been widely criticised in the US for its destabilising effects.

The US portfolio insurance funds, which account for an estimated $80bn of assets, were one of the main targets of the ban on the trading of share portfolios, which was extended on Thursday by the New York Stock Exchange.

In the UK, three portfolio insurance services were launched a year ago by the investment management arms of County Bank, Barings and Chase Manhattan.

The attraction of the technique is that it guarantees to protect the assets of pension planners and other investors against capital losses, while allowing them to profit, at least partially, from upswings of the stock market.

The simplest way to do this would be to purchase put options on the relevant stock market indices. If the stock market rises during the life of the options, they expire worthless, but at least the investor has participated in the rise. If the market falls, the options are exercised to lock in the original share prices.

But the stock index options markets in the US and UK often lack sufficient liquidity to allow put options to be bought on the scale required, at least at a reasonable price. Instead, the portfolio insurance managers create synthetic put options on the equities in the investor's portfolio.

This is achieved by a following a disciplined trading programme which requires the assets to be shifted continually between equities and cash. When the market rises, more assets are switched into equities; when it falls, there is a move into cash. The interest from the cash can be sufficient to offset all capital losses on the equity portfolio and thus the manager can guarantee to preserve the investor's capital, at least in nominal terms, over a year. The timing and the scale of the switching are determined by computer programmes based on statistical analyses of the volatility of share portfolios.

However, because the further the stock market falls, the greater the switch into cash (or into selling index futures contracts), the simultaneous response of all portfolio insurers to a market fall pushes prices further down.

According to Mr Steven Wunsch, of Kidder Peabody in New York, who acts as one of the leading brokers executing transactions for portfolio insured funds: "Portfolio insurance was one of the factors, but not the only one, which caused the market-making system to break down in the futures and stock markets.

In the UK, the portfolio insurers are as yet too small to have the same impact. County Investment Management, which has been one of the most successful adopters of quantitative investment techniques in the UK, is the largest portfolio insurer with £120m under management from four clients.

BP price up slightly

BY RICHARD TOMKINS

THE PRICE of British Petroleum shares recovered slightly yesterday in spite of the continued fall in the London market, but not sufficiently to raise hopes that the company's £7.2bn share offering could succeed.

The existing shares closed 4½p up at 287p, some 43p short of the 330p price tag on the offered shares and at least 20p below the price at which institutional investors might begin to find the offer attractive.

It is now widely accepted that most of the £7.2bn issue will end up with the underwriters. The advertising campaign has been dropped and is unlikely to be reinstated.

BP and the investor, page IV

UK COMPANY NEWS

LWT's profits jump 68% with earnings 88% higher

BY FIONA THOMPSON

London Weekend Television yesterday reported pre-tax profits of £23.02m for the year to July 26, a 68 per cent rise on last year's £13.7m. Earnings per share jumped by 88 per cent to 80.7p from 42.9p.

Net advertising revenue rose by 25 per cent to £148m from £118m, giving LWT a 11.6 per cent share of network revenue. LWT is now the third largest station, in revenue terms, after Thames and Central, having overtaken Granada.

The television and related activities division contributed £20.01m profits (£11.37m) on sales of £159.86m. Nearly all the £20m is from ad revenue, but it does include £3m from programme sales overseas.

The company's publishing interests, represented by a 24 per cent share of book publishers Century Hutchinson, contributed £419,000 profits, the travel business Page & Moy £998,000, and £1.11m came from property and other income.

Group turnover rose 28 per cent to £202.86m from £157.80m last year. The levy payable to the Exchequer increased from £5.98m to £10.43m. For the second and final year, profits received a boost from an exceptional credit, this year it was £485,000, against £908,000.

The tax charge was £9.12m, compared with £6.09m last time. A final dividend of 18.3p is proposed, making 28.5p for the year (18.15p).

An EGM is to seek shareholders' approval for the company to buy in up to 15 per cent of its own share capital. Also, to improve marketability of the 25p ordinary shares, the company is proposing a 5-for-1 scrip issue.

●comment

LWT has had an excellent year, its 25 per cent growth in advertising revenue outstripping the ITV network's 15 per cent. Against a general decline in audiences throughout the network, LWT has benefited from the drift of advertising to the more prosperous south and the strong growth in financial services advertisements. However, Christopher Bland is warning that the revenue increase for the first three months of this year is not at the level of a year ago. Acknowledging that it has not exactly scored top ratings with its diversifications, the company plans to gradually drop its travel and publishing interests, and concentrate on expanding overseas sales. With no borrowings and £29m cash in hand, that leaves good scope. The shares closed 5p up yesterday at 925p. Assuming pre-tax profits for this year of £26m, that puts them on a prospective p/e of 10, reasonable value.

Boosey bounces back to profit

BY ALICE RAWSTHORN

Boosey & Hawkes, one of the best-known names in the musical instruments industry, returned to profit in the first half of its financial year by turning pre-tax losses of £1.4m into profits of £186,000.

The return to profit followed a period of healthy growth for the company's music publishing activities and continued losses from musical instruments manufacturing.

In the six months to June 30, Boosey's turnover rose to £19.2m (£18.6m) and trading profits to £1.1m (£408,000). The company paid £901,000 (£1m) in interest and £165,000 (£146,000) in taxation for the interim period. Minority interests contributed £3,000 (£3,000). The cost of unresolved legal proceedings was expressed as an extraordinary item of £250,000. The board has not declared an interim dividend.

In the 1980s Boosey - which has been renowned for its brass musical instruments for decades - tumbled into decline. In 1985 a new management team took control, under Mr Ronald Asserson as chairman. This new team has cut costs and implemented a stable marketing strategy, thereby steering the company back into profit.

Although there was some progress, the instruments division made a "significant loss" in the first half. Sales fell compared with the same period in the previous year, which was inflated by stock clearance.

Nevertheless, the French factory returned to profit, while the British plant, in north London, reduced its losses. The German factories suffered from a fall in profits.

Within instrument distribution Boosey suffered from the weak dollar in the US and from increased competition in Australia. The board intends to reconstruct the US company

Arthur Wood asks for re-listing

Arthur Wood & Son (Longport) has asked for its listing to be resumed following the breakdown of talks with a possible purchaser. The shares had been suspended at 283p in July having traded at 100p two months earlier.

The request was made at the same time as the earthenware manufacturer announced its interim results. In the first half of 1987 pre-tax profits rose to £87,130 (£53,814) on turnover unchanged at £2.01m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding div	Total for year	Total last year
Anglo Leasing ....int	1	Feb 5	-	-	-
Bridport Gundry ....fin	5.1	Jan 15	4.6	7	6.25
British Assets ....fin	0.6	Jan 7	0.58	2.35	2.05
LWT ....fin	18.3	Jan 4	12.47	28.5	18.15
Mellerware ....int	nil	-	1.1	-	1.1
Investors Cap. ....fin	3.35	-	2.9	12.7	7.4‡
J Rothschild ....int	2.5	-	2.5	-	6

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §Unquoted stock. ◊Third market. ‡For nine months.

Bestwood builds up stake in Aitken

By Steven Butler

Bestwood, the property and financial group chaired by Mr Tony Cole, has now build up a 5.47 per cent stake in Aitken Hume, the financial services group, in anticipation that Aitken would be subject to a take-over in the near term.

Mr Cole said yesterday that current shareholding structure of the group had become "untenable" and that a polarisation of shareholders controlling large blocks of shares made change inevitable.

"My stake is no idle curiosity," he said.

Mr Tony Constance, Aitken managing director, yesterday said the stake-building by Bestwood was "irrelevant" to Aitken Hume and that it was unwelcome in that he believed it was held for arbitrage purposes.

Two shareholders, Mr Lee Ming Tee, the Australian entrepreneur, and Rawda Investments, hold just under 25 per cent each of Aitken Hume shares. A 25 per cent holding would trigger change of control rules in the US and automatically lead to cancellation of mutual fund management contracts held by National Securities and Research, Aitken's US fund management arm.

Mr Lee was once thought interested in taking over Aitken Hume, although his ownership of the company might not be acceptable to the independent trustees of NSR. He is now believed interested in selling his stake in the company, since he cannot take control, but is holding out for an attractive offer for the shares.

Mr Lee declined at least one offer at 150p per share, when Aitken shares were trading in the low 140s in September. The shares yesterday closed at 120p.

Mr Cole is known to be interested in expanding Bestwood's financial services operations and would likely be attracted to Aitken's UK fund management and banking operations. He would have the hurdle of winning support from the trustees of NSR, however, and might be forced to proceed with any possible bid in concert with a party acceptable to the US-based subsidiary, or arrange a pre-sale of the company.

Western Motor revs up for bear market in £21m Lada deal

BY CLAY HARRIS

Western Motor Holdings, purveyors of BMWs and Jaguars to the prosperous Thames Valley, yesterday bought itself some insurance against a continuing bear market - by embracing the Russian bear.

The fast-growing motor dealer paid £20.6m in cash and shares for Satra, the private company which holds the exclusive franchise to sell Soviet-made Lada cars and four-wheel-drive vehicles in the UK and Ireland.

Lada's cars are priced near the bottom of the UK market, with its 1,200cc Riva model costing £3,300, although it will shortly introduce the Samara, a sporty hatchback.

Mr Richard Palmer, joint managing director, said yesterday: "Traditionally, in tough economic times, these makes sell a lot better, not that they're selling at all badly at the moment."

Lada has maintained its 1 per cent of the buoyant UK car market, selling 20,733 vehicles in the first nine months of this year, nearly as many as the 21,337 sold throughout 1986.

Western bought Satra from the family interests of Mr Ara Oztemel, an Armenian-American who has been active in Western trade with the Soviet Union for more than three decades. At present the member of a committee advising President Ronald Reagan on East-West trade, Mr Oztemel will join the Western board.

Satra, which distributes vehicles through 200 sole UK dealerships, achieved pre-tax profits of £3.1m last year on turnover of £55.5m (including parts sales of £4.9m). It will continue to be managed as a separate operation.

The Lada franchise extends through 1993 and yesterday's transaction was approved by Soviet authorities. It is believed to mark the first time that Ladas have been sold anywhere by a publicly quoted company. UK sales of Ladas are also thought to earn more Western currency for the Soviet Union than any other single industrial product in any market.

The acquisition is to be funded through the payment of £9.31m in cash and the issue of 2.25m shares at 500p, 62p above the 438p price at which Western shares were yesterday suspended. Samuel Montagu, advising Western, said that it had always been intended that the shares be issued at a premium because of Satra's relative size to Western.

Western will also separately pay £690,000 for part of the 24.5-acre site from which Satra operates at Bridlington.

J Rothschild profit slip

INTERIM pre-tax profits of **J Rothschild Holdings**,showed a marginal decline from £65.9m to £65.6m in the half year to September 30.Net asset value was 245.4p compared with 205.1p at the end of March.At the close of business on October 20 the nav had fallen back to 214p or 204.9p on a fdully diluted basis. Net worth at that date was £648.5m.

Turnover of this investment company fell from £89.6m to £77.2m in the period ; tax took £22,000 (£24,100) and earnings per share emerged at 14p (11.5p) for the unchanged interim dividend of 2.5p.

The holding portfolio showed realised gains of £42.1m (£23.5m)

Tace stake sold

Evered Holdings, the industrial group headed by the Abdullah brothers, has sold its 6.6 per cent stake in Tace, control equipment group, for £2m.

The company said the sale meant that it had a holding in no company other than Henderson group, the doors and security equipment company, in which it acquired a 14.3 per cent stake this week.

James Neill

James Neill Holdings, hand and garden-tool manufacturer, yesterday called off its $10m (£6.1m) acquisition of Disston, the US tool company, and a rights issue to finance it.

Mr Peter Bullock, chief executive, said Disston had been unable to satisfy a number of conditions in the deal. He would not say what they were because of a confidentiality agreement.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price	+ or −	Net. Div.	Times Cov'd	Gross Yield	P.E. Ratio
§130	F.P.	20/11	170	130	Alba 10p	130	−8	L3.8	2.2	2.9	18.4
§61	F.P.	—	96	63	‡Amer Plast.Inc. $0.01	63	−5	RQ2.5c	4.6	2.4	8.9
175	F.P.	6/11	240	190	Anglo Leasing 10p	190	−20	L2.5	1.9	1.9	13.8
**	F.P.	23/10	27	21	Atlantic Assets Wrnts.	21	......	—	—	—	—
§105	F.P.	6/11	160	110	‡Banner Homes 10p	126	−2	R2.6	2.9	2.8	16.5
§100	F.P.	—	182	115	Butte Mining 10p	120	......	—	—	—	—
70.3	F.P.	—	73	65	CDFC Trust 10p	69	......	—	—	—	—
50	F.P.	9/9	111	58	‡Corp. Estates Prop.5p	70	−3	L0.75	2.4	1.5	38.2
§106	F.P.	—	160	128	‡Dolphin Pack 5p	135	......	L2.0	3.5	2.0	19.1
10	F.P.	11/12	14¼	8	EFM Dragon Trust 5p	8½	−1	—	—	—	—
‖	F.P.	—	268	253	English & Caledonian Inv.	258	......	—	—	—	—
32	F.P.	30/10	50	32	‡Explaura 5p	33½	−1	—	—	—	—
**	F.P.	—	67	44	First Spanish I. T. Wrnts.	43	+1	—	—	—	—
**	F.P.	23/10	23	17	Independent Inv. Wrnts.	17	......	—	—	—	—
§80	F.P.	—	149	110	ISA Intl. 5p	110	−3	R1.17	4.0	1.5	23.4
§60	F.P.	—	82	70	*Kemp (P.E.) 5p	70	......	—	—	—	13.2
§170	F.P.	—	191	180	Lloyd Thompson 5p	180	−8	L4.3	2.1	3.3	19.6
§115	F.P.	—	128	100	‡Marcol 5p	100	−8	L2.3	2.1	3.2	21.2
257	F.P.	—	98	55	Moorgate Inv. Warr.	70	......	—	—	—	—
§100	F.P.	—	108	103	New Guernsey Securities	103	......	—	—	—	—
§10.58	F.P.	—	$21¼	$14	Portugal Fund $0.01	$14	......	—	—	—	—
§123	F.P.	—	111	97	Power Corp. Ir. $0.01	97	−3	Q36.9	2.5	3.5	12.7
§88	F.P.	—	90	86	Record Hldgs 5p	88	......	R2.0	3.2	3.1	13.9
130	F.P.	20/11	253	180	Security Archives 20p	210	−10	R4.0	2.0	2.6	25.7
§180	F.P.	—	180	170	Shaftsbury £1	172	−3	—	—	—	—
250	F.P.	12/12	317	231	‡Stanhope Prop	221	−10	—	—	—	—
§87	F.P.	9/11	98	75	‡URS Intl. $0.01	75	......	R4.75	1.9	3.5	15.0
§60	F.P.	—	93	75	‡WSP Hldgs. 5p	75	......	R1.4	3.0	2.6	17.7
‖	F.P.	—	168	135	Zetters Leisure 10p	138	−1	L1.5	3.7	1.5	25.0

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price £	+ or −
100	F.P.	—	110p	102p	AGB Research 6.21 Cnv. Prf.	99p	−4
100	F.P.	20/11	106½	99	Allied Lond. Props 5¼% Cv.Rd.Pf.	99	......
100	F.P.	—	101p	82p	Brit. & Comm. 4¾pc Cm Red Prf	87p	−1
100	F.P.	—	102	93	CDFC Trust 6½pc Cv 2010	99	......
100p	F.P.	—	102p	94p	Chesterfield Props 5¾pc Cr. Cm. Prf.	94p	−2
100	£30	21/1	11¼	10¼	Chester Wtr Wks 11¼pc Rd Db '98-2000	11¼	......
¶¶	F.P.	—	145p	105p	Merlin Intl. Com. Red. Cnv. Prf.	105p	−20
§100	F.P.	—	129p	101p	Morrison (Wm) 5¼pc Cm Rd Pf	129p	......
—	F.P.	—	100⅛	99¾	N'wide Anglia 10⅛ pc. 12.9.88	100⅛	+⅛
—	F.P.	—	100⅜	99⅝	Do. 10⅝ pc.26.9.88	100⅜	+⅜
‖	F.P.	—	109½	99½	Next 5¼% Cnv. 2003	100¼	+¼
100p	F.P.	—	113p	100p	‡Randsworth Tst. 7% Com. Cnv. Red. Prf.	96p	......
§100	F.P.	—	113p	113p	Record Hldgs 10% Cm Rd Pf £1	113p	......

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price p	+ or −
500	Nil	—	263pm	125pm	A. C. Hldgs 5p	125pm	−100
213	Nil	—	28pm	8pm	Birmingham Mint	8pm	......
159	Nil	2/12	14pm	½pm	Cowie (T.) 5p	2pm	+½
910	Nil	2/12	45pm	3pm	Heywood Williams	3pm	−1
265	Nil	4/11	34pm	2pm	‡Hunter Saphir	2pm	−3
450	Nil	4/12	140pm	5pm	Kleinwort Benson, L	5pm	−3
370	Nil	27/11	81pm	10pm	Ladbroke 10p	10pm	−1
70	Nil	11/12	9pm	3pm	Lasca 2½p	5pm	−2
385	Nil	—	43pm	5pm	Lilleshall	5pm	−8
735	Nil	—	65pm	10pm	‡Local London	15¾pm	−7¼
145	Nil	13/11	24pm	2pm	Martin (A) 20p	2pm	......
45	Nil	18/11	18pm	3pm	§New England Props. 5p	3pm	......
200	Nil	25/11	167pm	45pm	‡Pacific Sales 10p	60pm	−20
380	Nil	—	40pm	6pm	Peachey Prop	6pm	−7
80	Nil	—	460pm	300pm	Press Tools	345pm	−10
55	Nil	14/11	11pm	2½pm	Publishing Hldgs 5p	2½pm	......
136	Nil	20/11	48pm	41pm	‡Quarto	41pm	......
400	Nil	20/11	86pm	15pm	Sketchley	16pm	......
30	Nil	—	5pm	2pm	Stonehill Hldgs	2pm	......
150	Nil	4/11	40pm	25pm	‡Tribble Harris	32pm	−2
270	Nil	5/11	33pm	4pm	Wace Group 20p	3pm	......
115	Nil	—	30pm	6pm	Warringtons	6pm	......
40	Nil	30/11	73pm	39pm	‡Williams (Rex) 5p	39pm	−7

Renunciation date usually last day for dealing free of stamp duty. a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. F Dividend and yield based on prospectus or other official estimates for 1986/7. H Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated annualised dividend, cover and p/e based on latest annual earnings. q Earnings based on preliminary figures. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma Figures r Indicated dividends; cover relates to previous dividend; p/e ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‖‖ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment price. ‡ Unlisted securities market. †† Official London listing. ‡‡ Including warrants entitlement. ‡ Placing and offer for sale price. ◊ Third Market. †Issued in £2 Units comprising 2 Ord Shares & 1 Warrant. (Exercisable at 50p into 1 Ord.) ●With warrants

APPOINTMENTS

Senior executive posts at Guinness Mahon

GUINNESS MAHON & CO., has appointed **Mr Julian Paul** as a director of the bank. He was with Hispano-Americano Bank. **Ms Lucinda Boulton** has been appointed a director of corporate finance. **Ms Sally Goodsell** becomes an assistant director, joining from Hispano-Americano Bank, **Mr Tony Allen** joins as an assistant director from Cayzer where he was a director. **Mr Brian Bishop** has been appointed an assistant director in the operations division.

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STOREHOUSE has appointed **Mr Ken Gaskell** as chief executive of Storecard, its joint in-house credit card venture with Citibank Savings. He was financial director of Mothercare.

*

ARTHUR YOUNG has appointed as partners **Mr Peter Burberry, Mr Geoffrey Forage, Mr John Harman, Mr Eamonn McGrath, Mr Stephen Parkinson, Mr Michael Stone, Mr Peter Dearing, Mr Nigel Towers, Ms Anne Scott, Mr Alan Millar,** and **Mr James Kelman.**

*

Mr Roger Graham has taken over as chairman of CHRISTIAN BRANN. He is chairman and managing director of the BIS Group, of which Christian Brann is a member. He takes over from **Mr Brian Allinson,** who has taken a post at NYNEX Corp., parent of the BIS Group.

*

Mr Toshio Tanaka has been appointed president of IBC VEHICLES, Luton, - the recently formed GM/Isuzu venture company.

*

Mr Andrew Gray has been appointed chief executive of LONDON EUROPEAN AIRWAYS. He joins from British Airways, where he was financial controller - marketing, and formerly general manager Europe.

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Mr Roy Gibson has been appointed as special adviser to **Mr Olof Lundberg,** director general of the INTERNATIONAL MARITIME SATELLITE ORGANIZATION (INMARSAT) on November 1. Mr Gibson was director general of the British National Space Centre, and was first director general of the European Space Agency.

*

Mr Bernard G. Pendle, managing director of Cow & Gate, has been appointed joint managing director of the parent company N.V. VERENIGDE BEDJRIVEN NUTRICIA. Mr Pendle will retain his present post, and will become responsible for operations in Scandinavia, France, Austria, Spain, Italy and Greece. **Mr Peter F. Mills,** while remaining financial director of Cow & Gate, has been appointed deputy managing director, with responsibility for the company's day-to-day operation.

*

Mr David Kendrick, main board director of KYLE STEWART, has relinquished direct control of the group's design-related activities to take charge of group marketing. **Mr Chris Gilmour,** deputy chief architect, becomes general manager of design services and an associate director of Kyle Stewart. **Mr Tony Johns,** an associate director, is made deputy general manager of design services in addition to his post as group chief engineer. **Mr Tim O'Sullivan,** an associate director, has been promoted to commercial manager of Kyle Stewart. He was deputy general manager of design services.

*

Mr R. Carlier has been appointed to the executive committee of J.H. MINET. **Mr M. Hvidsten** has been appointed managing director of the international treaty division; and **Mr J. Cavanagh** has ben appointed deputy managing director of the North American reinsurance division.

ECONOMIC DIARY

TOMORROW: Chinese Communist *Party* national congress opens, Peking.

MONDAY: City of London airport opens. Sir Nicholas Goodison, Stock Exchange chairman, statement on first anniversary of City's "Big Bang". Scottish universities launch financial fightback campaign. European Parliament session opens, Strasbourg, will discuss budget although council has failed to deliver draft; level of agricultural stocks Europe *should* keep; system for rapid exchange of information *in* the case of a nuclear accident. EC Transport Ministers meet in Luxembourg, to discuss planned high speed train link. International Air Transport Association meeting opens in Caracas (until October 28). Market makers in the London-based equity warrant market (the largest portion of which are for stocks of Japanese companies) meet to discuss trading ground rules. Royal Dutch/Shell group third quarter results. Ecuadorean investment seminar in London. Lucas Industries full year results.

TUESDAY: Quarterly house purchase finance statistics for September. Fourth quarter CBI Industrial Trends Survey. Financial Times fifth professional personal computer conference, London. French Government holds emergency debate on privatisation programme. US and EC officials meet on Airbus dispute, London. National Economic Development Council *statement on British industrial* performance. Engineering Council publishes incomes survey. *National Bus Company* annual report.

WEDNESDAY: BP share offer closes. Third quarter provisional figures for bricks and cement production and deliveries. Union Bnak of Hong Kong interim results. Dutch Prime Minister Mr Ruud Lubbers speaks on the Dutch and world economy, The Hague. Marks and Spencer half year results; Union Carbide Corporation finals.

THURSDAY: Energy trends for August. London sterling certificates of deposit for September. Bill turnover statistics for September. UK banks' assets and liabilities and the money stock (September). New vehicle registrations in September. Plaid Cymru annual conference opens, Caerphilly (until October 31). ASEAN Economic Ministers meet, Singapore (until October 30). SKF and Trelleborg interim *results. US third quarter* preliminary productivity figures. ICI third quarter figures.

FRIDAY: Dealing opens in BP shares. Mr Nicholas Ridley, Environment Secretary, speaks at National Housing and Town Planning Council conference, Harrogate. EC Commissioner Lord Cockfield speaks at a lunch meeting of the Biscuit, Cake, Chocolate and Confectionery Alliance, London. Mr *Stanley Clinton* Davies, EC Commissioner, speaks at Association of European Journalists lunch, London, later gives briefing on transport and environment issues. Deadline to settle *Indian claims against* Union Carbide over Bhopal disaster. International Foundation of Airline Passenger Associations annual meeting opens, Singapore (until October 31). Portugese budget due to be presented, Lisbon. EC monetary committee meets, Brussels. Mr Karl Otto Poehl, Bundesbank president, addresses bank symposium, Frankfurt. National Home Loans Corporation finals.

GRANVILLE

SPONSORED SECURITIES

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E
206	133	Ass. Brit. Ind. Ordinary	200	—	7.3	3.7	12.3
206	145	Ass. Brit. Ind. CULS	200	—	10.0	5.0	—
41	30	Armitage & Rhodes	30	—	4.2	14.0	4.2
142	67	BBB Design Group (USM)	83xd	−12	2.1	2.5	13.2
188	108	Bardon Group	182	—	2.7	1.5	31.1
186	95	Bray Technologies	180xd	−4	4.7	2.6	14.4
281	130	CCL Group Ordinary	270	−6	11.5	4.3	6.9
147	99	CCL Group 11% Conv. Pref.	140	−3	15.7	11.2	—
171	136	Carborundum Ordinary	168	−2	5.4	3.2	14.6
102	91	Carborundum 7.5% Pref.	102	—	10.7	10.5	—
180	87	George Blair	172xd	−3	3.7	2.2	4.4
143	119	Isis Group	110	−2	—	—	—
102	59	Jackson Group	102	−2	3.4	3.3	11.3
780	445	Multihouse NV (AmstSE)	445	−60	—	—	17.7
88	35	Record Holdings (SE)	88	—	0.1	—	17.8
110	83	Record Hldgs. 10pcPf.(SE)	110	+23	14.1	12.8	—
91	64	Robert Jenkins	64	−1	—	—	2.8
124	42	Scruttons	124sus	—	5.5	4.4	4.9
224	141	Torday & Carlisle	220	−3	6.6	3.0	10.7
42	32	Trevian Holdings	42susx	—	0.8	1.8	3.9
131	73	Unilock Holdings (SE)	80xd	−3	2.8	3.5	14.7
264	115	Walter Alexander (SE)	225xd	−13	5.9	2.6	16.7
201	*190*	*W. S. Yeates*	*200*	−1	*17.4*	*8.7*	*20.0*
175	96	West Yorks. Ind. Hosp. (USM)	160	−4	5.5	3.4	17.0

Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of The Stock Exchange. Other securities listed above are dealt in subject to the rules of FIMBRA.

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Member of FIMBRA

Granville Davies Coleman Limited
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Member of the Stock Exchange

FULCRUM INVESTMENT TRUST P.L.C.

Net asset value (unaudited) as at 30th September, 1987

Income Shares	**45.04p**
Capital Shares	**20.12p**

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Friday October 23 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Thu Oct 22 Index No.	Wed Oct 21 Index No.	Tue Oct 20 Index No	Year ago (approx) Index No.	Highs and Lows Index 1987 High	1987 Low	Since Compilation High	Since Compilation Low
1	*CAPITAL GOODS (214)*	773.59	−3.1	9.06	3.65	13.87	18.17	798.31	854.68	815.65	645.27	1038.07 16/7	696.73 2/1	1038.07 16/7/87	50.71 13/12/74
2	Building Materials (30)	965.27	−5.9	9.62	3.81	12.95	22.79	1026.09	1094.94	1058.08	775.55	1381.08 16/7	860.39 5/1	1381.08 16/7/87	44.27 11/12/74
3	Contracting, Construction (33)	1459.32	−4.7	8.54	3.45	15.63	29.46	1531.76	1597.74	1533.59	1079.59	1951.50 16/7	1185.88 2/1	1951.50 16/7/87	71.48 2/12/74
4	Electricals (14)	2030.66	−2.7	8.92	4.29	14.63	54.41	2087.90	2169.45	2066.46	1726.82	2733.45 20/7	1772.22 2/1	2733.45 20/7/87	84.71 25/6/62
5	Electronics (34)	1708.87	+0.2	9.46	2.95	13.79	34.90	1704.90	1839.83	1740.56	1396.24	2236.70 17/7	1543.77 2/1	2236.70 17/7/87	1229.01 8/10/85
6	Mechanical Engineering (60)	411.41	−2.3	8.87	3.90	14.18	10.90	421.06	453.65	438.33	355.47	544.57 14/10	393.85 2/1	544.57 14/10/87	45.43 5/1/75
8	Metals and Metal Forming (7)	439.42	−2.8	8.96	3.70	13.59	9.11	452.26	479.75	466.53	326.46	596.67 9/10	355.97 2/1	596.67 9/10/87	49.65 6/1/75
9	Motors (14)	292.71	−3.6	9.94	3.84	11.77	5.86	303.48	331.13	314.63	258.47	411.42 13/10	272.03 2/1	411.42 13/10/87	19.91 6/1/75
10	Other Industrial Materials (22)	1287.17	−4.0	8.10	4.03	14.68	36.48	1340.47	1442.07	1377.83	1187.22	1736.80 22/9	1179.19 2/1	1736.80 22/9/87	277.55 15/1/81
21	CONSUMER GROUP (183)	1059.58	−2.0	7.79	3.32	16.33	18.23	1081.15	1140.36	1063.15	905.76	1406.32 16/7	950.87 2/1	1406.32 16/7/87	61.41 13/12/74
22	Brewers and Distillers (22)	981.66	−3.6	10.26	3.76	12.32	17.52	1018.10	1057.79	969.34	904.78	1269.35 16/7	938.04 2/1	1269.35 16/7/87	69.47 13/12/74
25	Food Manufacturing (23)	822.06	−1.5	8.96	3.78	14.40	16.66	834.83	885.12	841.24	691.77	1092.25 16/7	738.32 2/1	1092.25 16/7/87	59.67 11/12/74
26	Food Retailing (16)	2081.06	+1.1	7.08	2.84	18.83	39.17	2059.34	2150.06	2026.34	1857.70	2649.96 16/7	1881.08 2/1	2649.96 16/7/87	54.25 11/12/74
27	Health and Household Products (10)	1830.31	−2.2	6.14	2.42	18.84	16.41	1870.93	1972.42	1724.22	1480.49	2699.85 16/7	1645.70 2/1	2699.85 16/7/87	175.38 28/5/80
29	Leisure (30)	1163.57	−2.4	6.89	3.91	18.13	28.12	1191.86	1268.04	1190.12	902.32	1504.79 13/10	986.35 2/1	1504.79 13/10/87	54.83 9/1/75
31	Packaging & Paper (16)	549.31	−3.4	7.52	3.24	17.51	10.96	568.89	614.25	597.06	455.84	739.48 16/7	491.50 2/1	739.48 16/7/87	43.46 6/1/75
32	Publishing & Printing (15)	3530.12	−3.0	5.73	4.01	22.38	67.36	3637.95	3903.86	3695.34	2416.67	5070.66 5/10	2713.49 2/1	5070.66 5/10/87	55.08 6/1/75
34	Stores (35)	895.64	−1.7	7.88	3.28	17.18	15.23	910.83	954.91	905.61	848.95	1160.58 29/7	835.17 2/1	1160.58 29/7/87	52.63 6/1/75
35	Textiles (16)	676.21	−4.1	9.32	3.41	12.41	12.45	705.01	763.68	726.28	515.00	914.52 2/10	541.39 2/1	914.52 2/10/87	62.66 11/12/74
40	OTHER GROUPS (86)	879.20	−3.1	9.90	4.04	12.58	20.69	907.70	968.40	915.23	762.61	1192.48 8/10	815.89 5/1	1192.48 8/10/87	58.63 6/1/75
41	Agencies (17)	1160.51	−4.7	5.40	1.95	24.33	15.86	1217.99	1248.15	1186.70	0.0	1795.57 17/7	1111.16 2/1	1795.57 17/7/87	1111.16 2/1/87
42	Chemicals (21)	1107.94	−3.8	8.90	4.15	13.74	32.85	1151.89	1244.52	1201.56	976.92	1545.46 5/10	1002.01 2/1	1545.46 5/10/87	71.20 1/12/74
43	Conglomerates (13)	1140.31	−3.5	9.01	4.10	12.69	22.14	1181.15	1243.76	1130.99	0.0	1547.01 8/10	1112.14 2/1	1547.01 8/10/87	1112.14 2/1/87
45	Shipping and Transport (11)	1812.25	−5.8	9.35	4.54	14.05	51.44	1923.87	2009.44	1950.20	1491.32	2497.85 16/7	1567.77 2/1	2497.85 16/7/87	90.80 29/6/62
47	Telephone Networks (2)	879.90	−0.6	11.52	4.59	11.58	18.98	885.51	960.87	907.30	745.35	1274.14 9/6	837.15 5/1	1274.14 9/6/87	517.92 30/11/84
48	Miscellaneous (22)	1273.82	−3.5	11.89	3.72	10.03	32.87	1319.14	1412.90	1331.41	1064.44	1773.70 5/10	1101.37 5/1	1773.70 5/10/87	60.39 6/7/75
49	INDUSTRIAL GROUP (483)	947.75	−2.6	8.69	3.60	14.50	19.44	972.98	1033.49	973.12	809.05	1268.86 16/7	860.46 2/1	1268.86 16/7/87	59.01 13/12/74
51	Oil & Gas (17)	1802.30	+1.3	9.51	5.44	12.97	65.73	1779.42	1867.38	1778.41	1335.59	2458.68 16/7	1505.69 5/1	2458.68 16/7/87	87.23 29/5/62
59	500 SHARE INDEX (500)	1020.24	−2.0	8.81	3.87	14.25	23.43	1041.49	1104.37	1041.54	853.68	1369.88 16/7	915.61 2/1	1369.88 16/7/87	63.49 13/12/74
61	FINANCIAL GROUP (120)	677.34	−3.7	–	4.54	–	19.58	703.10	733.02	689.64	596.30	896.67 13/10	615.75 2/1	896.67 13/10/87	55.88 13/12/74
62	Banks (8)	680.75	−2.6	19.60	5.72	6.74	25.98	698.64	724.05	662.27	646.73	898.38 16/7	662.27 20/10	898.38 16/7/87	62.44 12/12/74
65	Insurance (Life) (9)	922.12	−5.3	–	4.83	–	31.49	973.48	1036.83	959.44	801.35	1285.72 9/10	869.23 2/1	1285.72 9/10/87	44.88 2/1/75
66	Insurance (Composite) (7)	520.98	−3.2	–	5.29	–	15.97	537.85	552.42	535.96	478.01	707.58 13/10	456.52 2/1	707.58 13/10/87	43.96 13/12/74
67	Insurance (Brokers) (8)	989.55	−4.2	11.22	5.79	11.40	38.19	1033.41	1058.39	998.77	1251.61	1399.56 17/7	989.55 23/10	1399.56 17/7/87	65.86 16/12/74
68	Merchant Banks (12)	411.54	−4.5	–	3.21	–	8.69	431.04	444.75	435.33	337.94	547.59 12/10	345.85 2/1	547.59 12/10/87	31.21 7/1/75
69	Property (48)	1027.00	−3.1	4.75	2.90	27.12	15.03	1059.39	1119.02	1068.57	771.81	1374.86 16/7	805.82 5/1	1374.86 16/7/87	56.01 20/4/65
70	Other Financial (28)	453.71	−5.9	7.86	3.53	16.20	10.24	482.40	501.94	469.51	348.83	603.48 16/7	365.01 2/1	603.48 16/7/87	33.29 17/12/74
71	Investment Trusts (88)	948.95	−2.3	–	2.60	–	14.44	971.64	1014.24	971.98	801.72	1224.41 2/10	867.57 2/1	1224.41 2/10/87	71.12 13/12/74
81	Mining Finance (2)	441.54	−8.0	10.30	3.87	10.94	10.41	479.75	492.30	512.24	323.34	727.93 3/8	341.86 2/1	727.93 3/8/87	66.31 30/9/74
91	Overseas Traders (10)	942.17	−6.0	9.77	5.19	11.99	29.58	1002.35	1089.10	1058.25	728.80	1364.12 13/10	778.26 2/1	1364.12 13/10/87	97.37 6/1/75
99	ALL-SHARE INDEX (720)	930.33	−2.4	–	3.94	–	22.01	953.46	1007.47	951.95	783.44	1238.57 16/7	835.48 2/1	1238.57 16/7/87	61.92 13/12/74
		Index No.	Day's Change	Day's High	Day's Low	Oct 22	Oct 21	Oct 20	Oct 19	Oct 16	Year ago				
	FT-SE 100 SHARE INDEX ‡	1795.2	−38.0	1821.4	1746.3	1833.2	1943.8	1801.6	2052.3	2301.9	1577.1	2443.4 16/7	1674.5 2/1	2443.4 16/7/87	986.9 23/7/84

FIXED INTEREST

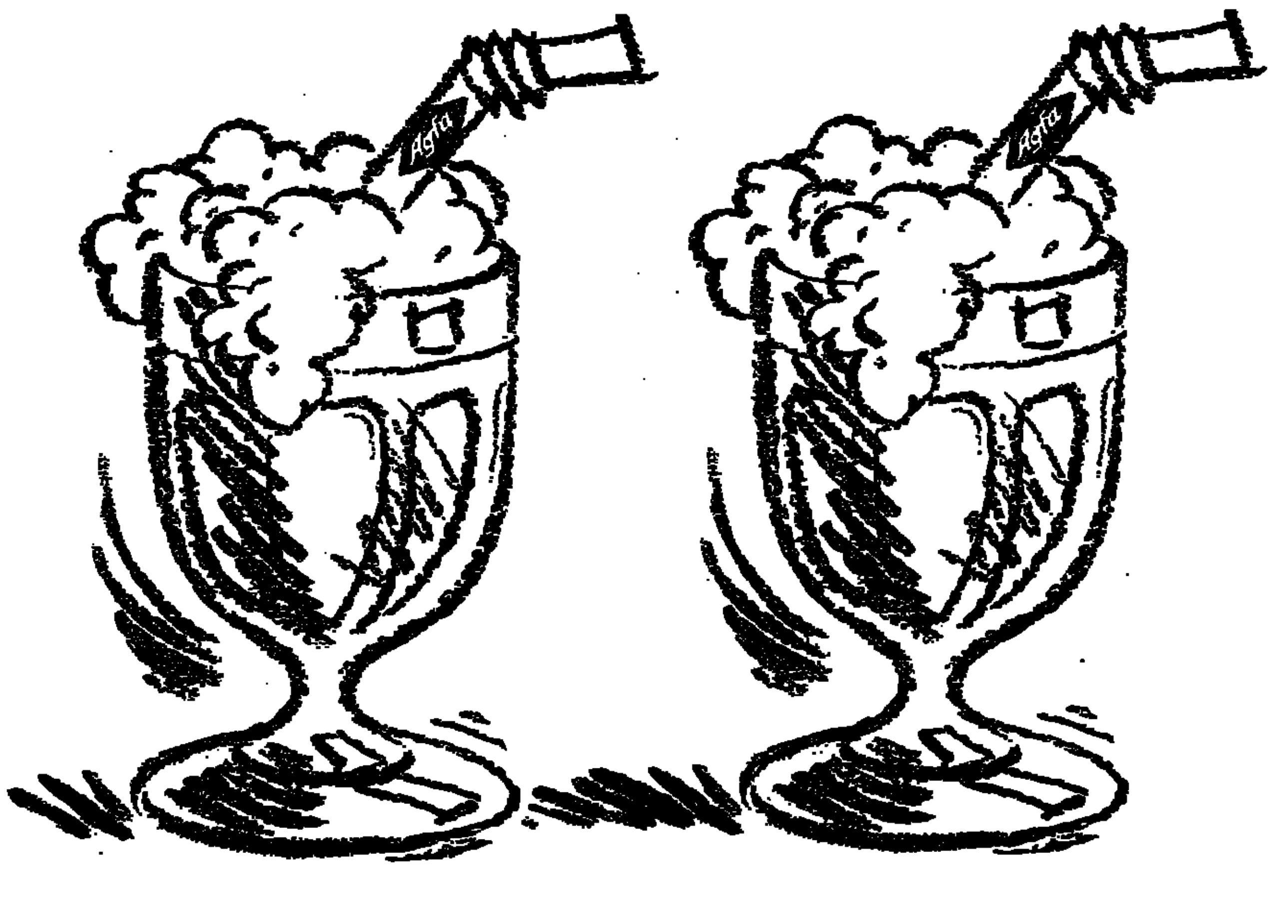
	PRICE INDICES	Fri Oct 23	Day's change %	Thu Oct 22	xd adj. today	xd adj. 1987 *to date*
	British Government					
1	5 years	121.99	+0.90	120.90	–	9.45
2	5-15 years	136.69	+2.10	133.87	–	12.01
3	Over 15 years	145.23	+2.47	141.73	–	12.02
4	Irredeemables	160.39	+1.64	157.80	–	8.81
5	All stocks	134.24	+1.77	131.91	–	11.20
	Index-Linked					
6	5 years	120.29	+0.52	119.66	–	2.18
7	Over 5 years	107.20	+1.93	105.17	–	2.89
8	All stocks	108.13	+1.80	106.22	–	2.82
9	Debentures & Loans	115.90	+1.57	114.11	–	8.07
10	Preference	82.50	−0.04	82.54	–	4.95

	AVERAGE GROSS REDEMPTION YIELDS		Fri Oct 23	Thu Oct 22	Year ago (approx.)	1987 High	1987 Low
	British Government						
1	Low	5 years	9.21	9.57	9.78	9.92 19/10	7.52 11/5
2	Coupons	15 years	9.58	9.87	10.38	10.27 19/10	8.53 8/5
3		25 years	9.40	9.64	10.39	10.08 2/1	8.55 8/5
4	Medium	5 years	9.77	10.17	11.19	10.80 2/1	8.39 8/5
5	Coupons	15 years	9.77	10.08	10.75	10.51 19/10	8.74 8/5
6		25 years	9.61	9.82	10.40	10.24 19/10	8.75 8/5
7	High	5 years	9.84	10.25	11.28	10.84 2/1	8.58 8/5
8	Coupons	15 years	9.95	10.25	10.94	10.67 19/10	8.86 8/5
9		25 years	9.64	9.87	10.51	10.31 19/10	8.72 8/5
10	*Irredeemables*	†	9.55	9.84	10.16	10.30 19/10	8.67 8/5
	Index-Linked						
11	Inflation rate 5%	5yrs	3.59	3.75	4.39	4.03 19/10	2.03 20/5
12	Inflation rate 5%	Over 5 yrs	4.39	4.51	3.82	4.63 19/10	3.30 6/4
13	Inflation rate 10%	5 yrs	3.72	3.86	2.96	4.14 19/10	0.85 24/3
14	Inflation rate 10%	Over 5 yrs	4.42	4.54	3.65	4.65 19/10	3.17 27/3
15	**Debs &**	*5 years*	11.30	11.47	11.65	11.86 20/10	9.46 12/6
16	**Loans**	15 years	11.22	11.44	11.59	11.67 20/10	9.79 23/3
17		25 years	11.22	11.44	11.53	11.49 20/10	9.84 23/3
18	**Preference**	†	11.04	11.04	11.52	11.83 2/1	10.05 22/6

‡Opening index 1821.4; 10 am 1784.6; 11 am 1749.0; Noon 1761.4; 1 pm 1757.1; 2 pm 1781.2; 3 pm 1781.7; 3.30 pm 1781.7; 4 pm 1805.1

CONSTITUENT CHANGES: Caledonia Investments (70) has been inserted.

Equity section or group	*Base date*	*Base value*	*Equity section or group*	*Base date*	*Base value*	*Equity section or group*	*Base date*	*Base value*
Agencies	31/12/86	1114.07	Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Conglomerates	31/12/86	1114.07	Mechanical Engineering	31/12/71	153.84	All Other	10/4/62	100.00
Telephone Networks	30/11/84	517.92	Industrial Group	31/12/70	128.20	British Government	31/12/75	100.00
Electronics	30/12/83	1646.65	Other Financial	31/12/70	128.06	Do. Index-linked	30/4/82	100.00
Other Industrial Materials	31/12/80	287.41	Food Manufacturing	29/12/67	114.13	Debs & Loans	31/12/77	100.00
Health/Household Products	30/12/77	261.77	Food Retailing	29/12/67	114.13	Preference	31/12/77	76.72
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67	FT-SE 100 Index	30/12/83	1000.00



INTL. COMPANIES & FINANCE

State and banks to bail out Fokker

BY LAURA RAUN IN AMSTERDAM

FOKKER, the financially troubled Dutch aerospace company, is to be rescued with fresh financial support from the Dutch Government and commercial banks.

The new financing has strings attached and is believed to amount to Fl 200m-300m ($98m-147m). An agreement in principle was reached yesterday between Fokker, the economics and finance ministers and creditor banks on the "improvement of the solvency and liquidity of the company," according to a terse statement from the Economics Ministry.

Mr Rudolf de Korte, the Economics Minister, will disclose details to the parliamentary committee in charge of state aid in a closed-door session on Monday. The news apparently means that the Netherlands' only aerospace company and a recognised specialist in the manufacture of short- to medium-haul airliners will survive.

Fokker is one of the few European aircraft makers without any government ownership and has plunged into red ink and a cash crisis trying to get two new planes off the ground. Speculation nevertheless mounted yesterday that the small aerospace company will have to merge with a competitor and strengthen its management in order to receive the new financing.

A detailed leak in the Dutch press claimed that the Dutch cabinet is prepared to provide new credit under two conditions: if Fokker co-operates with another aerospace concern and if it appoints a manager to sort out severe production problems.

Fokker requested the suspension of share trading on the Amsterdam stock exchange yesterday and Monday. During the past week's market crash the company's share price has plunged 24 per cent to Fl 34.50 and is down 41 per cent from the beginning of October.

The Schiphol-based company's financial difficulties have resulted from soaring development costs for the new 50-seat Fokker F-50 and 100-seat F-100.

Prestigious commercial airlines such as KLM Royal Dutch Airlines and Swissair have placed orders for the F-50 turboprop and F-100 fanjet. About Fl 1.5bn in government aid and commercial loans has already been provided to the 76-year-old company but the funds have run out, leaving Fl3.4m in red ink for the first half of 1987 and a cash-flow crunch.

A prime candidate for a possible merger would be Messerschmitt-Boelkow-Blohm (MBB), the West German aerospace concern with which Fokker recently agreed in principle to collaborate in research, production and marketing. How substantial the co-operation would be depends on an initial feasibility study.

European car radio consortium launched

BY TERRY DODSWORTH IN GENEVA

A SECOND manufacturing consortium to tackle the planned pan-European digital car radio market was launched yesterday by Alcatel, the French telecommunications group, along with *Nokia of Finland and AEG of* West Germany.

The agreement, announced at the Telecom 87 exhibition in Geneva, follows only a few days after a similar consortium *arrangement was reached* between another group of European companies led by Ericsson of Sweden and Orbitel, the UK joint venture between Racal and Plessey. It is expected that Siemens, the West German electronics group, Matra of France and the General Electric Company of the UK will also join this grouping.

The pan-European digital mobile telephone system, agreed after intensive inter-government negotiations earlier this year, is widely seen as a test case for co-operation in European telecommunications.

It is aimed at creating a new car telephone network which will allow the equipment to be used universally within the European Community and most adjacent countries. To achieve this, common standards have been agreed in an attempt to avoid the market fragmentation caused at present by the use of different technologies.

Ministers have also stressed in the past that the launch of the digital system, which will provide much increased capacity and quality for car telephones, also gives European companies an opportunity to develop world-beating technology.

At present, Europe buys a considerable amount of its mobile telephone equipment from North American and Japanese *suppliers, but it is notable that* all the participants joining the two consortia so far are indigenous European producers.

The most significant absentee is Motorola, the US group which has a leading position in the supply of the present generation of mobile telephone equipment.

Executives from the Alcatel-Nokia-AEG consortium indicated yesterday that they had talked to Motorola and that the group remained open to additional partners. But there seem to have been fears that Motorola would have wanted too dominant a position in the newly formed group.

Mr Pierre Suard, chairman of Alcatel, said yesterday that the three partners have agreed to share their research and manufacturing. The consortium organisation would not have a separate capital structure, he added.

●Alcatel also announced yes*terday that it had reached a* technology co-operation agreement with SGS-Thomson, the Franco-Italian semiconductor company formed earlier this year. The deal will give Alcatel greater access to SGS's expertise in the design of telecommunications chips, while the semiconductor company will be given a guaranteed outlet for a certain volume of its products.

First-quarter surge at P&G

BY JAMES BUCHAN IN NEW YORK

PROCTER & GAMBLE, the giant US consumer products group, yesterday announced a 30.4 per cent increase in net income for its first quarter ended September and revealed that it would buy back just over 1.5 per cent of its own stock.

At the same time, the company said it would be involved in the marketing of a new anti-baldness potion developed by *Upjohn, the pharmaceuticals* groups.

The flurry of announcements sent Procter & Gamble stock up against a falling market, with a $3⅛ rise to $81 in the first hour of trading.

Procter & Gamble reported earnings of $356m or $2.09 a share in the September quarter against $273m or $1.61 a share. Sales were 7 per cent ahead at $4.36bn.

The company joined the host of companies seeking to buy in *stock at this week's depressed* prices with a promise to purchase up to 10m shares over time.

Mr John Smale, chairman, said: "We are taking this action *because the price of our stock* in the past week has, at times, represented an excellent buying opportunity and we want to be prepared for such opportunities if and when they arise in the future."

Meanwhile, Upjohn announced that it agreed a long-term joint programme with the marketing giant for the discovery and deveelopment of new hair growth products and delivery systems for minoxidil, Upjohn's baldness drug now *sold under the name Rogaine.*

Although Rogaine has yet to be approved for use in the US, Procter & Gamble said yesterday that it expects "the hair regrowth and maintenance mar*kets will develop into a* significant business."

Upjohn, meanwhile, said joint research would include new chemical formulas to which both companies would have marketing rights. It added that first results should appear within five years.

Daimler-Benz sales edge ahead

BY ANDREW FISHER IN FRANKFURT

SALES OF Daimler-Benz, West Germany's largest industrial company, moved ahead in the first nine months, with business helped considerably by stronger demand *in* the truck sector.

Daimler said sales were 3 per cent higher during the period at DM48.7bn ($27bn). For the full year, it expects a total of more than DM66bn, against DM65.5bn in 1986.

The Stuttgart-based group, which has recently spread into electronics (AEG), engines (*Motoren- und Turbinen-Union*), and aerospace (Dornier), said that profits for 1987 would again be satisfactory, despite the pressure on foreign sales revenues caused by the weaker dollar.

Last year, Daimler raised net income from DM1.68bn to DM1.77bn, and earnings per share from DM67.75 to DM78.80. The group does not publish interim profit figures. Yesterday, the shares, which have fallen sharply in recent days along with the whole market, recovered by DM23 to DM938.

The company said its basic vehicle business expanded by 5 per cent in January-September *to reach a turnover of* DM37.8bn. Unlike 1986, the commercial vehicle division was the main contributor to growth, mostly because of much higher sales achieved by subsidiaries in North and South America and in Spain.

While car sales showed growth of 3 per cent in sales to DM23.5bn, trucks improved by 10 per cent to DM14.3bn. New truck registrations also went up in Germany and the rest of Europe, although the Middle East market remained weak.

Sales in Germany of Mercedes cars, at 220,000, were nearly as high as the previous year, when *business was stimulated by* people taking advantage of tax concessions (now ended) on low-pollution cars. Car exports were 4 per cent higher, at 227,500.

Duiker to halt blue asbestos output

BY JIM JONES IN JOHANNESBURG

DUIKER EXPLORATION, the Lonrho group's South African mining arm, is to close its blue asbestos mines in the northern Cape province until demand for the fibre recovers. Blue asbestos is a particularly hazardous type of asbestos and health *fears have led to sharp drops in* demand around the world.

Lower export coal prices and a further deterioration in asbestos revenues were the principal contributors to the pre-tax profit drop to R3.4m ($1.66m) from R28.4m. Duiker's principal interest in gold is its 36 per cent shareholding in Eastern Gold Holdings which, in turn, has an 85 per cent interest in the new Erfdeel section of Anglo American's Freegold mine.

Erfdeel came into production *in this year's September* quarter when it milled 50,000 tonnes of ore and produced 146kg of gold.

Earnings dropped to 23.1 cents a share from 93.4 cents and the year's dividend has been cut to 30 cents from 48 cents.

The company's asbestos production dropped to 4,899 tonnes in the financial year to end-September from 6,359 tonnes in the previous year. Anthracite output fell to 645,787 tonnes from 766,692 tonnes, steam coal production was lifted to 2.83m tonnes from 2.54m tonnes and gold production from the company's small mine in the northern Transvaal rose to 201kg *from 191kg.*

Rand Mines Properties lifts payout

BY OUR JOHANNESBURG CORRESPONDENT

RAND MINES Properties, the Barlow Rand group's property devlopment and gold recovery company, lifted property sales profits sharply in the year to end-September and brought a new gold recovery plant into operation. The company has also increased its dividend.

Revenue from gold sales rose to R83.5m ($40.7m) from R63.3m with that from property sales rising to R21.2m from R13m. The operating profit from gold rose to R21.4m from R19.1m and that from property to R5.9m from R854,000.

Total pre-tax profit was R27.5m against the previous fi*nancial year's R22.4m.*

The directors say the higher-than-planned dividend has been declared as the company has completed the major capital expenditure on gold recovery plants. The total dividend has been lifted to 80 cents from 63 cents a share on earnings of 155 cents against 123 cents.

Gold is recovered from old sands dumps near Johannesburg's central business district. In May a new recovery plant was brought on stream on the old City Deep mine. As a result the tonnage of sands and slimes processed increased to 6.4m tonnes from the previous financial year's 5.4m tonnes and gold production was raised to 2,814kg from 2,390kg.

Surprise fall at Fanuc in first half

By Stefan Wagstyl in Tokyo

FANUC, the world's largest maker of numerical control *equipment for machine tools,* shocked the jittery Tokyo equity market yesterday by announcing an unexpected 27 per cent fall in interim pre-tax profits.

The company, which is strug*gling against the effects of* the strong yen on overseas sales, reported pre-tax profits of Y14bn ($97.2m) compared with Y19.1bn, on sales of Y52.3bn against Y66.36bn for the six months to September.

Fanuc sharply cut its forecast of profits for the year, from Y38bn to Y31.2bn, on estimated sales of Y112.3bn. Last year pre-tax profits fell 42 per cent to Y30.2bn.

The company said its recovery was taking place more slowly than had been expected. Sales of its mainstay computer numerically controlled equipment systems were down 17.3 per cent at Y44.3bn.

It is still struggling to develop sales of industrial robots, most of which are sold to GM Fanuc, a joint venutre with General Motors of the US. Robot sales in *the half-year fell 40.7 per cent to* Y3bn.

Net interim profits were Y7.1bn, down from Y10.5bn, and Y15.6bn is expected for the full year. Earnings per share were Y31.68 against Y56.50.

Fanuc is maintaining its interim dividend of Y7.50 a share and is forecasting Y15 for the year.

Sandvik in US rock tools deal

By Sara Webb in Stockholm

SANDVIK, the Swedish cemented carbide and special steels group, has signed an agreement to acquire the soft rock mining tools division of Baker Hughes, the US oil services group formed earlier this year through the merger of Baker International and Hughes Tool. Terms have not been disclosed.

Sandvik has been seeking to strengthen *its* rock tools division in the US market where it is weak at present.

The Baker Hughes soft rock mining tools division has an annual turnover of $25m and is *"profitable," with a staff of 170,* while Sandvik's comparable unit had sales last year of SKr1.116bn ($177m).

Sandvik plans to set up a separate company in the US including the Baker Hughes division. Last year the Sandvik group had sales of SKr12.7bn and profits (before appropriations and taxes) of SKr1.68bn.

Its cemented carbide division, which includes the rock tools operations, had sales of SKr6.69bn.

Cominco back in black as prices increase

BY ROBERT GIBBENS IN MONTREAL

COMINCO, the big Canadian base metals producer now controlled by Teck Corporation of Vancouver, Metallgesellschaft of West Germany, and MIM Holdings of Australia, is feeling the benefit of higher lead and copper prices and higher volumes of zinc and copper shipments.

Operating net profits in the third quarter were C$7m (US5.3m) or four cents a share, against a loss of C$13.9m or 27 cents, taking operating profits in the first nine months to $26.5m or 19 cents a share, against a loss of C$49.6m a year earlier. Sales were $726m against $712m.

After $66.1m in special gains from the sale of a power utility and tax credits, final nine-month earnings were $92.6m or $1.14 a share against a loss of $8.2m a year earlier.

*The company said the fertilis*er business was adversely affected by lower prices, but potash should improve in the fourth quarter with higher prices in the US.

Meanwhile **Falconbridge**, the big Canadian nickel producer which has diversified into other base metals, reported an increase in third-quarter earnings on the back of higher metal prices, **writes David Owen in Toronto.**

Net profit for the period ended September 30 totalled C$17m or 23 cents a share, compared *with just C$6m or 9 cents in* 1986. Third-quarter revenues rose sharply to C$329m from C$279m a year ago.

Consolidated nine months' losses totalled C$16m or 23 cents a share before extraordinary items, compared with a loss of C$22m or 37 cents a share in the corresponding 1986 period. Revenues for the first three quarters rose from C$861m to C$906m.

After taking into account a C$46m gain, principally from the sale of its 49 per cent stake in Johannesburg-based Western *Platinum, final nine* months' earnings were C$30m or 43 cents a share, against C$64m or C$1.11.

The company said that it is anticipating a strong fourth quarter due to sound metal markets and good fundamentals.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1987 High	1987 Low
METALS					
Aluminium					
Free Market c.i.f.	$1910/920	—255	$1278/290	$2030/2050	$1205/1225
Antimony					
Free Market 99.6%	$2350/2500	—	$2550/650	$2400/2500	$2150/2290
Copper-Cash Grade A	£1217.5	+1.0	£932.5	£1185.5	£870.25
3 months Grade A	£1128.5	—48	£956.75	£1153.25	£849.5
Gold per oz	$472.5	+7.5	$411	$476.75	$390.35
Lead Cash	£353	—13	£315.5	£445	£288.75
3 months	£348.5	—8.25	£313.75	£417.5	£290.75
Nickel					
Free market	258/278c	—4	164/184c	247/267c	156/177c
Palladium	$127.75	—7.50	$127.50	$161.00	$117.15
Platinium per oz	$570.50	—23.00	$565.50	$646.50	$476.75
Quicksilver (76lbs)	$295/305	—	$150/170	$310/325	$150/160
Silver per oz	454.00p	—15.60	387.10p	653.60p	344.40p
3 months per oz	465.30p	—16.35	407.65p	668.20p	352.70p
Tin					
Free market	£4170/200	+38.5	£4150/180	£4,610/640	£3,968/980
Tungsten Ind	$51.16	—	$61.25	$58.19	$41.44
Wolfram (22.04 lbs)	$38/50	—	$34/44	$50/56	$32/42
Zinc cash	£464.5	+2.5	£519	£567	£447
3 months	£469.25	+2.5	£517.5	£550.5	£448
Producers	$825	+5	$820	$870	$770/790
GRAINS					
Barley Futures Jan	£106.35	—0.75	£112.50	£118.55	£96.30
Maize French	£134.00	+0.50	£144.50	£163.50	£131.50
WHEAT Futures Jan.	£110.60	—1.60	£111.05	£125.50	£98.75
SPICES					
Cloves	$3625	+25	$4100	$3,800	$3,200
Pepper white	$6400	+400	$6100	$6,400	$4,900
black	$4775	+25	$4600	$4,900	4,200
OILS					
Coconut (Philippines)	$490	—17.5	$407.5	$530	$330
Palm Malayan	$350	—	$310	$390	$285
SEEDS					
Copra (Philippines)	$320	—	$225	$325	$220
Soyabeans (U.S.)	$166	+1.0	$161	$162.5	$153.5
OTHER COMMODITIES					
Cocoa Futures Mar	£1190.5	+13.0	£1549	£1,439.5	£1,187
Coffee Futures Jan	£1347.5	—18.0	£2352.5	£1655.5	£1,210.5
Cotton Outlook A Index	73.55	—2.25	50.10c	87.70c	62.55c
Gas Oil Fut. Dec	$170.5	+2.75	$123.75	$173.25	$125.5
Jute LJA BWC grade	$414	—21	$230	$435	$280
Rubber kilo	64p	—2	67p	71.5p	60p
Sisal No. 3L	$615	—	$625	$615	$610
Sugar (Raw)	$184	+8.4	$142	$204	$139.5
Tea (quality) kilo	175p	—5	195p	180p	140p
(low med) kilo	88p	—	133p	111p	80p
Wooltops 64s Super	600p kilo	—	412p kilo	548p kilo	416p kilo

‡ Uuquoted. (x) Nov. (y) Dec. (t) Oct/Nov.

ALUMINIUM

99.7% purity	Unofficial close (p.m.)	+ or —	High/Low
	$ per tonne		
Cash	1900-50	+35	—
3 months	1830-70	+65	1800/1790

Official closing (am): Cash 1125-8 (1910-20), three months 1790-800 (1810-15), settlement 1880 (1920). Final Kerb close: —. Ring turnover: 475 tonnes.

99.5% purity	£ per tonne		
Cash	1130-40	—7.5	—
3 months	1060-1	+12.5	1085/1053

Official closing (am): Cash 1125-8 (1155-6), three months 1065-8 (1085- Kerb close: 1083-4. Ring turnover: 5.5), settlement 1128 (1156). Final 18,200 tonnes.

COPPER

Grade A	Unofficial close — £ per tonne	+ or —	High/Low
Cash	1215-20	+48	1220/1200
3 months	1128-9	+35.5	1130/1095

Official closing (am): Cash 1219-20 (1200-2). three months 1125-7 (1095-100). settlement 1220 (1202). Final Kerb Close: 1124-5.

Standard			
Cash	1211-16	+58.5	—
3 months	1115-25	+35	—

Official closing (am): Cash 1160-70 (1170-80), three months 1110-20 (1085-100), settlement 1170 (1180). US Producer prices 82.25-92 cents per lb. Total ring turnover 45,225 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	352-4	—5.5	352/355
3 Months	348-9	—3.25	349/345

Official closing (am): Cash 352.5-3 (358.5-59), three months 347-8 (352-2.5), settlement 353 (359). Final Kerb close: 343-4. Ring turnover 13,175 tonnes. US spot: 42 cents per lb.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	3580-600	+65	3570/—
3 months	3530-40	+92.5	3540/3500

Official closing (am): Cash 3575-80 (3455-60). three months 3515-20 (3420-5), settlement 3580 (3460). Final Kerb close: 3495-505. Ring turnover 1,194 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	464-5	—4.5	464/463
3 months	469-9.5	—2.25	469.5/466

Official closing (am): Cash 464-4.5 (469.5-70.5), three months 468.5-9.5 (473-3.5), settlement 464.5 (470.5). Final Kerb close: 467-8. Ring turnover: 7,475 tonnes. US Prime Western: 43-43.75 cents per lb.

LONDON METAL EXCHANGE TRADED OPTIONS

	Strike Price	Calls		Puts	
	$/tonne	Nov.		Nov.	
Aluminium 99.7%	—	—		—	
	—	—		—	
	—	—		—	
		Nov.	Jan.	Nov.	Jan.
Aluminium 99.5%	1,800	—	96	—	
	—	—		—	
	1,900	—		35	—
Copper (Grade A)	1,900	—	96½	—	
	—			—	
	1,950	59½	—	—	
	£/tonne				
Copper (Grade A)	1,125	—		—	49
	—	—		—	
	1175	—		19	—

TIN

KUALA LUMPUR TIN MARKET: Close 17.16 (17.24) ringgit per kg. Down 0.08 ringgit per kg.

GOLD

GOLD BULLION (fine ounce)		Oct. 23
Close	$472¼-472¾	(£281¼-282¾)
Opening	$472-472½	(£285¼-285¾)
M'n'g fix	$472.65	(£285.762)
Aft'n'n fix	$470.50	(£283.981)
Day's high	$473½-474	—
Day's low	$470¾-471	—

GOLD AND PLATINUM COINS		
Am Eagle	$486-491	(£289¼-292¼)
Mapleleaf	$485-486	(£288-291)
Kr'g'r'nd	$471-473	(£280¾-282½)
½ Krug	$246-255½	(£146½-152½)
¼ Krug	$125-133	(£74½-79½)
Angel	$479-484	(£285½-288½)
1/10 Angel	$49-54	(£29¼-32¼)
New Sov.	$111-112	(£66¼-66¾)
Old Sov.	$111-112½	(£66¼-67)
Britannia	$485-490	(£294-297)
Noble Platt	$593-605	(£353½-359½)

MEAT

MEAT COMMISSION — Average fatstock prices at representative markets: GB—Cattle 84.15p per kg lw (+0.03); GB—Sheep 169.90p per kg est dcw (+3.74); GB—Pigs 71.22p per kg lw (−5.45).

INDICES

REUTERS

Oct. 23	Oct. 22	M'th ago	Year ago
1679.7	1679.5	—	—

(Base December 31 1931=100)

DOW JONES

Dow Jones	Oct. 22	Oct. 21	M'th ago	Year ago
Spot	126.60	126.25	—	121.72
Fut	128.70	129.11	—	120.88

(Base December 31 1931=100)

SILVER

Silver was fixed 0.05p an ounce lower for spot delivery in the London bullion market yesterday at 454p. US cent equivalents on the fixing levels were: spot 752.8c, up 2.45c; three-month 767.4c, up 1.8c; *six-month* 782.05c, up 1.4c; and 12-month 813.8c, up 0.35c. The metal opened at 455-456p (753-755c) and closed at 450-451½p (753-755c).

SILVER per troy oz	Bullion Fixing price	+ or —	L.M.E. p.m. Unoff'l c'l	+ or —
Spot	454.00p	−0.05	751c	+7
3 months	465.30p	−0.25	766c	+7
6 months	476.55p	−0.35	—	—
12 months	498.75p	−1.95	—	—

Final kerb close 765-70c.

LME—Turnover: 0 (0) lots of 10,000 oz.

COFFEE

An uninspiring day to end the week with prices closing some £2-£5 lower *reports, Drexel Burnham Lambert.* Nearby commission house liquidation during the morning and late afternoon selling against a steadier sterling, ensured the slightly easier finish.

COFFEE	Yesterday close	+ or —	Business done
Nov	1314-1315	—2.5	1321-1313
Jan	1347-1348	—3.5	1351-1343
Mar	1366-1368	—4.0	1375-1365
May	1390-1391	—2.5	1396-1390
July	1408-1410	+1.0	1415-1410
Sept	1423-1426	—4.5	1430-1429
Nov	1440-1458	—2.5	1450-1450

Sales: 2,130 (3,781) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for October 22 Comp daily 1979 110.58 (110.96): 15-day average 111.62 (111.31).

COCOA

In extremely light volume of trade futures drifted to a dull close £5 off on the day. Although producers remain unwilling to re-enter the market at current levels good consumer and *second hand interest was seen today,* reports Gill and Duffus.

COCOA	Yesterday's close £ per tonne	+ or —	Business done
Dec	1155-1156	—6.0	1164-1156
March	1190-1191	—6.0	1196-1189
May	1212-1214	—5.5	1220-1214
July	1235-1237	—6.5	1243-1235
Sept	1253-1257	—7.5	1259-1258
Dec	1280-1282	—6.5	1284-1280
March	1303-1304	—8.0	1309-1302

Sales: 1,227 (4,573) lots of 10 tonnes.

ICCO indicator prices (SDRs per tonne). Daily price for October 22 1,467.97 (1,487.02); 10-day average for October 23 1,470.58 (1,473.95).

FREIGHT FUTURES

	Close	High/Low	Prev.
Dry Cargo			
Oct.	1146.5	1148/1141	1138
Jan.	1254	1272/1254	1250.0
Apr.	1293	1300/1282	1291
July	1190	1190/1190	1190
Oct.	1280	—	1280
Jan.	1340	—	1340
April	1300	—	1300
BFI.	1136	—	1133.5

Turnover: 1,504 (1,573).

GRAINS

LONDON GRAINS—Wheat: US dark Northern spring No 2 14 per cent Nov 98.00, Dec 97.00. US No 2 soft red winter Nov 93.50, Dec 96.00. French 11½-12 per cent Oct 136.50 sellers. English feed fob Nov 109.50, Dec 110.50, Jan/Mar 114.50/114.25/114.00 paid East Coast, Apr/Jun 116.50/117.00 buyer/sellers. Maize: US *No 3 yellow/French transhipment East* coast Oct 134.00 seller. Barley: English feed Nov 109.00/109.75. Dec 110.25/110.50, Jan/Mar 113.50/114.00 buyer/sellers, Apr/Jun 117.00 sellers.

	WHEAT		BARLEY	
Mnth	Yest'dy's close	+ or —	Yest'dy's close	+ or —
Nov.	106.10	—0.85	103.75	—0.45
Jan.	110.60	—0.55	106.55	—0.25
Mar.	112.60	—0.60	108.25	—0.20
May	114.90	—0.80	109.75	—0.25
July	116.95	—0.85	—	—
Sept.	102.90	—	99.10	—
Nov.	104.95	—	101.60	—

Business done—Wheat: Nov 106.70-6.00, Jan 111.00-0.50, Mar 112.70-2.50, May 115.15-4.90, July 117.00 only. Sept untraded, Nov untraded. Sales: 548 lots of 100 tonnes. Barley: Nov 104.45-3.75, Jan 106.85-6.20, Mar 108.45-8.15, May untraded. Sept untraded, Nov untraded. Sales: 168 lots of 100 tonnes. HGCA — Locational ex-farm spot prices: Feed barley: E. Mids 105.40; N. East 102.00; Scotland 101.70. On

US MARKETS

MOST MARKETS tended to consolidate following the recent volatility with trading dominated by pre-weekend booksquaring and reaction to a weakening US dollar, reports Drexel Burnham Lambert. The precious metals held firm on commission house and local short-covering while copper, in what was seen by some as an attempt to close a gap on the charts at $395 basis December, rallied sharply on commission house and arbitrage buying.

Crude oils futures were marginally higher as tight supplies in the products markets firmed all energy futures.

Coffee and cocoa traded quietly and firmed on dollar weakness, while sugar rallied to its highest levels since May on trade and commission house buying in the face of good producer selling. Cotton eased on a combination of trade selling and pre-weekend liquidation.

The meat futures were all firmer as the markets reacted to recent weakness and attempted to recover from heavy liquidation pressure earlier in the week.

The grains also firmed following early weakness as commerial buying, esnecially in the soyameal and corn, emerged to steady prices.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb	Close	Prev	High	Low
Oct	82.50	78.50	—	—
Nov	82.50	78.50	—	—
Dec	82.50	78.50	82.50	78.00
Jan	81.00	77.50	—	—
Feb	—	—	—	—
March	78.00	76.00	78.00	77.00
April	—	—	—	—
May	73.50	73.50	73.50	73.50
July	70.00	70.00	—	—
Sept	70.00	70.00	—	—
Dec	18.24	18.13	18.30	18.06

COCOA 10 tonnes. $/tonnes	Close	Prev	High	Low
March	18.57	18.43	18.62	18.38
May	18.85	18.69	18.86	18.69
July	19.14	18.98	19.15	18.98
Sept	19.40	19.24	19.39	19.30
Dec	19.68	19.60	19.69	19.60
March	19.99	19.84	—	—

COFFEE "C" 37,500 lbs; Cents/lbs	Close	Prev	High	Low
Dec	122.91	121.77	122.95	121.05
March	127.00	125.93	127.00	125.30
May	128.78	128.00	128.75	127.25
July	130.05	129.54	130.05	129.00
Sept	131.63	132.00	130.75	130.00
Dec	131.75	132.50	133.00	133.00
March	131.01	130.96	—	—

COPPER 25,000 lbs; cents/lbs	Close	Prev	High	Low
Oct	82.60	80.60	82.60	80.30
Nov	82.40	80.40	—	—
Dec	81.70	79.90	82.50	80.00
Jan	80.80	79.25	—	—
March	79.20	78.00	80.00	77.80
May	77.60	77.30	78.50	77.50
July	76.00	75.70	—	—
Sept	75.85	76.70	77.50	76.50
Dec	75.50	76.70	76.50	76.50

COTTON 50,000 lbs, cents/lbs	Close	Prev	High	Low
Dec	64.88	65.75	65.71	64.65
Mar	66.30	66.95	67.05	66.05
May	67.15	68.02	68.02	67.07
Jul	67.10	68.10	68.00	67.10
Oct	63.15	64.15	63.50	63.11
Dec	62.25	62.75	62.75	62.10

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels	Latest	Prev	High	Low
Dec	20.14	20.20	20.18	20.00
Jan	20.03	20.15	20.07	19.94
Feb	19.27	20.08	20.00	19.89
March	19.92	20.02	19.92	19.80
April	19.90	19.97	19.85	19.70
May	19.80	19.92	19.80	19.77
June	19.72	19.88	19.75	19.72
July	19.68	19.84	19.70	19.68
August	19.64	19.80	19.64	19.64
Sept	19.60	19.76	19.50	19.50

HEATING OIL 42,000 US gallons; cents/US gallons	Close	Prev	High	Low
Nov	57.45	57.67	57.60	57.20
Dec	57.70	57.58	57.75	57.30
Jan	57.70	57.84	57.80	57.45
Feb	57.25	57.37	57.40	56.95
March	55.00	55.12	55.20	54.65
April	53.09	53.09	53.30	52.85
May	—	51.62	—	—
June	51.25	50.97	51.40	51.20

ORANGE JUICE 15,000 lbs; cents/lbs	Close	Prev	High	Low
Nov	144.00	143.25	145.50	142.75
Jan	141.50	141.50	144.00	140.75
March	141.40	141.60	143.00	140.85
May	141.60	141.75	143.50	141.50
July	142.50	142.00	142.50	142.50
Sept	—	37.15	—	—
Nov	140.00	140.00	—	—
Jan	137.50	137.50	—	—
March	137.50	137.50	—	—

GOLD 100 troy oz; $/troy oz	Close	Prev	High	Low
Oct	473.4	469.8	475.0	469.5
Nov	473.4	469.9	—	—
Dec	476.7	473.2	478.5	476.0
Feb	482.8	479.1	484.5	477.5
April	489.0	485.3	491.3	484.0
June	495.4	491.6	494.0	492.0
Aug	502.0	498.1	—	—
Sept	—	460.0	—	—
Oct	508.8	504.8	508.0	502.5
Dec	515.6	511.5	516.0	511.5
Feb	522.6	518.4	—	—
May	—	—	—	—
June	537.4	533.0	—	—
Aug	544.8	540.3	545.0	544.0

PLATINUM 50 troy oz, $/troy oz	Close	Prev	High	Low
Oct	577.9	570.6	578.0	573.5
Nov	—	—	—	—
Dec	582.4	575.6	573.5	573.5
Jan	584.5	577.6	585.5	575.0
Feb	—	—	—	—
April	594.2	587.1	594.5	586.5
July	603.9	597.1	603.0	598.0
Oct	614.4	607.6	614.5	612.5
Jan	625.6	618.6	624.0	624.0

SILVER 5,000 troy oz, cents/troy oz	Close	Prev	High	Low
Oct	754.3	742.3	748.0	745.0
Nov	758.2	743.7	750.0	760.0
Dec	760.0	748.5	767.5	743.5
Jan	764.9	753.2	—	—
March	776.2	764.1	783.0	760.0
April	—	—	—	—
May	786.7	774.7	791.0	779.0
July	797.0	785.1	801.0	790.0
Sept	807.9	796.0	796.0	786.0
Dec	825.4	813.0	828.0	811.0
Jan	831.5	861.9	—	—
March	844.4	875.0	—	—
May	856.6	888.4	—	—
July	869.3	901.5	—	—

SUGER WORLD "11" 112,000 lbs; cents/lbs	Close	Prev	High	Low
Jan	7.15	7.10	7.15	6.85
March	7.70	7.52	7.70	7.46
May	7.76	7.64	7.79	7.56
July	7.81	7.73	7.84	7.68
Oct	7.85	7.82	7.90	7.75
Jan	8.00	7.97	—	—
March	8.11	8.24	—	—

CHICAGO

LIVE CATTLE 40,000 lbs: Cents/lbs	Close	Prev	High	Low
Dec	65.20	64.32	65.30	63.62
Feb	62.50	61.77	62.62	61.00
April	63.47	63.15	63.72	62.35
June	63.35	63.05	63.55	62.36
Aug	62.17	61.65	62.40	61.20
Oct	60.85	60.35	61.30	60.10
Dec	62.50	62.50	—	—

LIVE HOGS 30,000 lbs; Cents/lb	Close	Prev	High	Low
Dec	44.87	44.82	45.22	44.52
Feb	42.67	42.42	43.15	42.40
April	39.75	39.30	39.80	39.20
June	42.45	42.40	42.75	42.12
July	42.60	42.42	43.42	42.10
Aug	41.77	41.37	42.00	41.30
Oct	38.80	38.60	39.02	38.75
Dec	40.10	39.50	40.10	38.65

MAIZE 5,000 bu min; cents/56lb-bushel	Close	Prev	High	Low
Dec	181.2	182.0	183.5	181.0
March	187.2	187.2	189.6	186.2
May	194.4	192.6	194.6	192.2
July	196.6	197.4	199.0	196.4
Sept	193.0	193.6	194.4	192.6
Dec	190.2	191.2	191.4	189.6
March	196.4	196.0	196.4	196.0

SOYABEANS—5,000 bu min, cents/60lb-bushel	Close	Prev	High	Low
Nov	539.4	538.4	542.4	535.4
Jan	548.4	544.5	551.0	544.0
March	555.6	551.2	557.0	550.0
May	558.6	556.0	561.0	553.4
July	562.4	559.4	565.0	556.4
Aug	559.0	565.0	561.0	555.0
Sept	549.0	546.0	549.0	543.0
Nov	548.0	544.0	548.0	541.0

SOYABEAN MEAL—100 tons, $/ton	Close	Prev	High	Low
Dec	180.2	178.6	181.9	178.6
Jan	174.5	171.9	176.0	171.7
March	170.7	168.4	171.0	168.0
May	167.7	166.2	168.0	165.0
July	166.2	164.0	166.2	164.5
Aug	165.0	163.2	165.0	164.0
Sept	162.5	163.0	165.0	162.5
Oct	162.2	161.5	162.5	162.0
Dec	163.0	162.0	163.0	162.0

SOYABEAN OIL 60,000 lb: cents/lbs	Close	Prev	High	Low
Dec	17.77	17.84	17.92	17.67
Jan	17.94	18.00	18.10	17.87
March	18.22	18.31	18.37	18.16
May	18.35	18.52	18.60	18.35
July	18.55	18.70	18.75	18.55
Aug	18.65	18.65	18.80	18.60
Sept	18.55	18.62	18.85	18.55
Oct	18.55	18.57	18.80	18.55
Dec	18.55	18.66	18.90	18.55

PORK BELLIES 38,000lbs: Cents/lbs	Close	Prev	High	Low
Feb	58.25	56.52	58.40	56.17
March	57.75	56.15	57.80	55.90
May	58.20	57.40	58.45	57.00
July	57.02	56.60	57.55	56.85

WHEAT 5,000 bu min, cents/60lb-bushel	Close	Prev	High	Low
Dec	300.2	302.0	304.2	299.4
March	311.6	313.2	315.0	310.4
May	307.4	310.0	311.2	307.0
July	293.4	295.4	297.0	293.2
Sept	296.4	297.0	300.0	296.4
Dec	305.4	306.0	306.0	305.4

SPOT PRICES: Chicago loose lard 14.50 (14.00) cents per pound. Handy and Harman silver bullion 750.00 (747.00) cents per troy ounce. New York tin 318.00/320.00 (319.00/318.00) cents per pound.

November 1, the UK monetary coefficient will be actualised on the basis of exchange rates for the calculation period October 14 to 20.

POTATOES

Keen selling interest on opening knocked April values back through £150.00 support, *triggering some* minor stop-loss orders during the morning. The afternoon saw slight recovery, but confidence was shattered and levels rapidly fell on closing call to finish near lows, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Nov.	90.00	99.00	90.50-86.00
Feb.	100.50	101.50	
March	93.00	93.00	93.00
Apr.	148.50	154.20	153.00-148.00
May	160.50	166.90	163.50-162.00
Nov	80.00	80.00	

Sales: 1,277 (937) lots of 40 tonnes.

OIL

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		Nov.
Arab Light	—	—
Arab Heavy	—	—
Dubai	17.33-17.37	—
Brent Blend	18.95-19.05	−0.125
W.T.I. (1pm est)	20.10-20.15	−0.125
Forcados (Nigeria)	—	
Urals (cif NWE)	—	
PRODUCTS—North West Europe		
Prompt delivery cif ($ per tonne)		
Premium gasoline	185-188	—
Gas Oil	167-169	—
Heavy fuel Oil	102-104	−1.5
Naphtha	163-165	−1.0

* November

Petroleum Argus estimates

SOYABEAN MEAL

	Yesterd'ys close	+ or —	Business done
	£ per tonne		
Dec	150.5-152.0	+0.50	—
Feb	153.5-154.0	+1.00	—
April	153.5-154.5	+1.00	155.0
June	155.5-156.5	+1.00	156.0
August	124.5-126.5	−0.75	—
October	125.5-126.0	—	
December	125.0-128.0	—	

Sales: 61 (30) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $184.00 (£111.40), up $3.00 (up £2.00) a tonne for November/December delivery. White sugar $190.50, up $1.00.

	Yesterd's close	Previous close	Business done
	$ per tonne		
No. 6 Raws			
Dec	183.2-184.0	180.0-180.4	184.8-180.0
Mar	171.6-172.0	168.4-169.6	172.5-167.4
May	174.0-174.4	170.6-171.0	174.0-169.8
Aug	176.0-175.4	174.4-172.8	176.0-173.2
Oct	176.6-176.8	174.4	176.4-175.2
Dec	178.6-178.8	176.0-178.0	—
Mar	185.0-181.0	180.6-185.0	—
No. 5 Whites			
Dec	192.6-194.0	192.6-195.0	193.5-191.5
Mar	189.8-201.5	198.0	201.5-198.0
May	202.8-206.0	197.0-194.0	204.7-202.8
Aug	206.8	197.0-198.4	210.0-207.4
Oct	210.8-212.0	217.0-219.5	211.0-208.5
Dec	210.6-214.0	218.0-212.0	—
Mar	214.0-220.0	214.0-225.0	—

Sales No. 6 2,165 (3,743) lots of 50 tonnes. No. 5 1,994 (1,172).

Tate and Lyle *delivery* price for granulated basis sugar was £217.00 (£216.00) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports) Prices for October 22 daily price 6.86 (6.81); 15-day average 6.52 (6.46).

PARIS SUGAR—White (FFr per tonne): Dec 1150/1160; Mar 1202/1206; May 1227/1236; Aug 1260/1265; Oct 1275/1288; Dec 1288/1298.

GAS OIL FUTURES

Month	Yesterd'ys close	+ or —	Business done
	US$ per tonne		
Nov	169.25	−0.75	169.50-168.00
Dec	170.00	−1.75	171.50-169.50
Jan	170.75	−1.75	171.75-170.75
Feb	170.50	−1.00	170.50-170.00

Turnover: 2,880 (5,857) lots of 100 tonnes.

RUBBER

PHYSICALS — Closing prices (buyers): Spot 64.00p (65.00p); Nov 67.25p (67.75p); Dec 67.00p (68.00p). The Kuala Lumpur fob prices (Malaysia/Singapore cents per kg) were: RSS No 1 266 (265.5); SMR 20 255.5 (same).

WORLD STOCK MARKETS

WALL STREET

Blue chips give up small gains

BLUE chip issues gave up their small gains and turned lower again, as they have been most of the session. Brokers said traders were taking any gains as a chance to sell before the market closed. Traders were also lightening up their holdings prior to the weekend.

The Dow 30 was down five at 1945 after rising as high as 1982 and trading as low as 1918. Declining issues led gains by nine-to-five. Trading was less active than in recent days.

In the blue chips, Chevron was off $1½ at $42½, Exxon up ½ at $44 and Texaco $32 unchanged. The stocks have been volatile along with Gulf shooting incidents.

CANADA

Toronto stocks posted a decline at midday but moved up with gains on Wall Street to recover from early morning lows.

The composite index, which had fallen 73 points in early trading, dropped 23.10 to 3084.60. Declines outpaced advances by 674 to 288 on heavy volume of 26m shares.

Oils and gas, showing a slight advance, were the only major share group to move upward. Texaco Canada rose C$¼ to C$29¼, Imperial Oil class A advanced C$1¼ to C$63¼ and Shell Canada was unchanged at C$36.

Union Enterprises topped the list of most active industrials, firming C$⅛ to C$10. Among other actives, Canadian Pacific was unchanged at C$21 and Nova Corp of Alberta edged down C$⅛ to C$8⅜.

Blue chips were mixed, with Seagram dropping C$¼ to C$72¾, Bell Canada Enterprises falling C$½ to C$37¼ and Northern Telecom rising C$⅛ to C$21⅝.

Mining issues were also mixed. Noranda rose C$⅛ to C$22⅝, Alcan Aluminium dropped C$⅛ to C$31½ and Falconbridge declined C$⅛ to C$18¾.

Banks, which generally cut their prime rates to 9¾ per cent from 10½ per cent, were mixed. Royal Bank firmed C$⅛ to C$28⅞, Canadian Imperial Bank was unchanged at C$17¼ and Toronto Dominion Bank edged down C$⅛.

In Montreal, the market portfolio index dropped 2.42 to 1545.75. In Vancouver, the index declined 37.8 to 1329.7.

Closing prices for North America were not available for this edition

TOKYO

Tokyo's share index closed five per cent lower, its 11th largest one-day fall, following plunges on Wall Street and London on Thursday.

"It has nothing to do with the Japanese economy," said analyst Tadaki Uehara of Wako Securities. "But Wall Street tumbled when it looked like it would recover. It looked bad."

Japanese institutions, whose "no sell" attitude this week has been a calming influence on the market, began to sell.

The 225-share average lost 1,203.23 points to 23,201.22, wiping out Thursday's 457.05 point advance. Turnover was one billion shares against 1.3 billion on Thursday. Declining issues led advances 14 to one.

Securities house, bank, communications, pharmaceutical, electronics, insurance, real estate, railway, airline, rubber, credit/lease, service and glass/cement shares led the rout.

There were all sorts of rumours about how many of the big institutions and securities companies were selling.

Brokers said the market's near-term direction would depend on Wall Street's performance and U.S. gross national product figures, due late yesterday.

AUSTRALIA

A renewed wave of panic selling saw the Australian share market plummet 6.7 per cent at the close as investors slashed prices across the board.

They said the all ordinaries fell 110.5 points to 1,515.1, its lowest level since February 4, after Wall Street's overnight plunge and the failure of President Ronald Reagan to raise market confidence over the U.S. budget deficit.

The all industrials closed 152.0 points down at 2,358.9. The gold marker fell 288.4 to 2,326.2 and the all resources 78.9 points to 888.2. National turnover was heavy as 178.83m shares worth A$367.13m changed hands. Falls outnumbered rises by nine to one.

Gold related stocks led the fall on the metal's failure to improve overnight and despite gains in local trading. Gold closed steady in New York at US$467.50/468.00 an ounce, rising to A$470.00 here. Gold Mines of Kalgoorlie fell A$1.00 to A$6.50 dlrs. ACM 80 to A$4.70 and Sons of Gwalia 70 to A$10.00.

Similar losses were seen throughout the resources sector. CRA plummeted 70 to A$5.50, Western Mining 50 to A$5.00 and Peko 50 to A$6.

Market leader BHP fell a further 30 to A$7.80 after recovering 10 on Thursday. The stock closed at A$10.15 last Friday. CSR shed 20 to A$3.40.

Blue chip industrials were not spared. News Corp shed a further A$1.30 to A$12.80 after closing at A$21.70 last week. Other losers included BTR Nylex, down A$1.00 to A$7.50, Adsteam 70 to A$6.80, FAI 50 to A$6.00 and TNT 38 to A$4.12. Losses of almost 10 per cent were common. The volatility and nervousness were mirrored in December share price index futures, which closed at 1,410.0 from 1,500.0 after hitting a low of 1,360.0. The contract closed at a 107.1 point discount to the physical market.

FRANKFURT

Leading German share prices ended mixed compared with Thursday's close after a relatively quiet bourse session as a still nervous market paused for breath after the week's turmoil, dealers said.

For the first day this week the bourse did not extend trading hours in German shares.

Leading German share prices were marked lower following continuing heavy losses in New York, Tokyo and London, but there was little actual turnover because of continuing uncertainty, dealers said.

A sound interim report from Daimler, West Germany's biggest company, went unnoticed in the general gloom. "That doesn't play a role at the moment," said one dealer.

Daimler, which announced a three per cent rise in group sales in the first nine months and forecast higher turnover and satisfactory profits for the whole year, dropped to DM892/912 marks from Thursday's closing DM915.

SINGAPORE

Brokers said trading at the Stock Exchange of Singapore came to a standstill because of a power failure. Trading for the day ended slightly before the scheduled time. Brokers said the computer systems may have been strained by the active trading on the exchange.

Singapore Airlines, the most active counter on 2.3 m shares traded, closed 95 cents lower at S$9.85. United Overseas Bank declined 70 cents to S$5.20 dlrs on a turnover of 1.8m shares and DBS eased S$1.40 to S$10.40 on a volume of 1.1m shares. Fraser and Neave lost S$2.05 to S$7.70, Rothmans Malaysia S$1.75 to S$6.00 and Metro S$1.55 to S$9.45 dlrs.

JOHANNESBURG

Stocks closed sharply lower on the Johannesburg Stock Exchange in a trading day shortened to four hours from the usual 6-1/2 hour session.

Stocks declined at the opening and moved further down steadily during the day with many issues suffering heavy losses.

Traders said the selling wave was expected in the face of further falls on the London and Asian markets.

The exchange opened 30 minutes late after officials decided to shorten trading hours, following the lead of North American Stock Exchanges.

Heavyweight Vaal Reefs lost R19 at R399, South Vaal was R20 down to R180 and Western Deep was R11 down to R180. Lightweight Kinross dropped R4 to R70. Harties was R2 down to R28 and Leslie lost 45 cents at R7.30.

NEW YORK

October 22	Price US$	+ or −
AAR	27	−2¾
AGS Computers	16¼	−1⅛
AMCA	7½	—
AMR Corp	37	−1
ASA	56⅛	−3⅝
AVX Corp	13	−1⅝
Abbott Labs	46	−2¼
Acme Cleveland	11	−½
Adobe Res	6½	−⅛
Advanced Micro	12	−⅜
Aetna Life	51	−1
Ahmanson (H.F.)	17	−⅛
Air Prod & Chem	37⅞	−3
Alberto-Culver	17⅞	−1⅜
Albertson's	25⅝	−1⅛
Alcan Aluminium	24⅛	−2¼
Alco Standard	20⅞	−1⅛
Alexander & Al	20¼	−1⅛
Allegheny Intl	6⅞	−½
Allegheny Power	37	−½
Allegis	72	−3⅜
Allied Bancshares	4¼	−⅛
Allied Signal	36¾	−⅞
Allis Chalmers	1⅛	−⅛
Alcoa	35⅜	−2⅜
Amax	18	−1⅞
Amdahl Corp	31	−3
Amerada Hess	25⅜	−⅜
Am Brands	45	−2⅜
Am Cyanamid	37½	−2¼
Am Elect Power	27	+⅛
Am Express	26¼	−2¼
Am Gen Corp	32	+1
Am Greetings	18⅜	−⅜
Am Hoist & DK	7⅞	+¼
Am Home Prod	73⅜	−⅜
Am Intl Group	66½	−1½
Am Medical Intl	13	−½
Am Motors	4½	—
Am National	29	−½
Am Petrofina	61⅞	−⅝
Am Standard	56¾	−2⅞
Am Stores	59½	−1¼
Am T & T	28¾	−⅜
Ameritech	87	−2⅞
Ametek Inc	26¾	−1
Amfac	29⅞	+1⅞
Amoco Corp	68	—
AMP	43¼	−5¼
Analog Devices	11¼	−2½

October 22	Price US$	+ or −
Cleve Cliffs Iron	11	−⅝
Clorox	27⅛	−2⅛
Coastal Corp	25½	−2¼
Coca Cola	40½	−⅞
Coca Cola Ent.	15⅛	−⅛
Colgate Palm	40⅝	−⅞
Colt Inds	9⅞	−⅛
Columbia Gas	41⅞	−1⅜
Combust'n Eng	34	+⅛
Commonw'th Ed	29⅛	−⅛
Comm Satellite	26¾	−⅜
Comp Science	48½	−⅜
Computervision	10⅛	+½
Con Agra	26⅜	−1½
Cons Edison	42⅜	−⅜
Cons Freight	28	−1
Con Nat Gas	35¼	−¼
Cons. Paper	53½	−1
Cons. Rail	28⅝	−2⅞
Consumer Power	14⅝	−⅛
Contl Corp	39	−2
Contl Illinois	4	—
Contl Ill.Hldgs	¼	—
Cont Tel Corp	30¼	—
Control Data	23½	−2½
Converg. Techs	4⅛	−⅛
Cooper Inds	47½	−2
Coors Adolph	19½	−⅛
Copperweld	7⅛	−1⅛
Corning Glass	46⅜	−1⅜
Corroon & Black	27½	−⅛
Crane	24¼	−½
Cray Research	60	−4½
Crown Cork	107	+1⅜
Cummins Eng	46¼	−1¼
Curtis Wright	51¼	−3¼
Daisy Systems	6⅛	+⅛
Damon	12	−⅜
Dana	37½	−⅜
Data Gen	20⅝	—
Datapoint	5⅛	−⅛
Dayton Hudson	28⅝	−1½
Deere	32¼	−1¼
Delta Air	38	−2½
Dis.Clk.Print	25⅜	−2⅛

CANADA

October 22	Price Can. $	+ or −
Abitibi	26	−½
Abitibi Res	0.32	—
AMCA Intl	9⅜	−⅜
Agnico Eagle	29	−1
Alberta Energy	17¼	−⅜
Alcan Aluminium	31⅜	−2⅜
Algoma Steel	16⅛	−1⅜
Bank Montreal	27	−½
Bank Nova Scotia	13½	+⅛
B.C.E.	37⅜	−½
Bombardier	9½	—
Bow Valley	14⅜	+⅜
BP Canada Res	18	+2
Brascan A	30	−2⅜
BC Forest	16	−2
CIL Inc	25½	−2½
Cadillac Fairview	31⅜	−⅜
Can Cement Pf	14⅜	−1¼
Can NW Energy	21	−1
Can Packers	13¼	−¼
Can Trustco	66	−½
Can Imp Bank	17⅞	−⅜
Can Pacific	21	−1⅛
Can Tire A	13¼	+⅜
Can For	25½	−3½
Chieftain	11⅜	−¼
Cominco	15½	−½
Conigas Mines	4½	+½
Cons Bathst A	16¼	−⅜
Corenark Intl	2⅛	−¼
Coscan Dev	8⅜	−⅜
Denison Mines A	5⅞	−⅛
Dofasco Inc	24	−1½
Dome Petroleum	0.95	−0.04
Domtar	15⅞	−1⅛
Falconbridge	19½	−1½
Fed.Inds.A	13¼	−⅜
Gendis Inds.A	13¼	−½
Giant Y'knife	26	−½
Gulf Canada Res	17⅞	−1⅛
Hawker Sid Can	20	−1
Hudson's Bay	19	−1
Imasco	27⅛	−⅛
Imperial Oil A	62	−4¼
Inco	19⅝	−2⅝
Indal	10	−¼
Int Pipe	42⅝	−3
Labatt	22⅜	−1⅛
Lac Minerals	12	+⅜
Laurentian Gp	11½	−1
Lawson Mrdon (CLA)	14⅞	−½
Loblaw	11½	−1⅛
Macmillan Bloedel	19⅝	−1⅛
Magna Intl	13⅝	−1⅛
McIntyre Mines	40	−5
Metall Mining	11⅜	−1¼
Mitel Corporation	4	−⅛
Molson Cl A	19½	−2
Moore Corp	27	+¼
Nat Bk of Canada	11	−⅛
NBS	17⅜	−1¼
Nat Sea Products	18	−¼
Noranda Mines	22½	−3⅛
Norcen Energy	20¼	−⅛
Northern Telecom	21¼	−2
Nova	6½	−½
Numac Oil	9⅝	−⅛
Oakwood Pet	2	—
Pan Can Pet	23½	−3½
Placer Dome	18⅝	−⅜
Power Corp	13¼	−⅜
Quebec Sturgeon	4⅜	−¼
Ranger Oil	5⅝	−⅛
Reed Stenh'se	27	−1⅛
Rogers Ent	13½	−1⅛
Royal Bank	29	−⅛
Royal Trust A	14⅛	−¼
Sceptre Res	4	−⅛
Seagram	73½	−2⅞
Sears Can Inc	9	−¼
Shell Canada Oil	36	−3⅞
SHL Systemhouse	21½	−3¼
Stelco	22⅞	−⅛
Teck B	34¼	−2
Texaco Canada	29	−2½
Thomson New	24¼	−1
Toronto Dom Bk	25⅛	−⅜
Transalta A	26⅛	−⅜
Trans Can Pipe	16	−⅜
Varity Corp	13⅛	−¼
Westcoast Trn	15	+1½
Weston (Geo)	32¼	−1¼

AUSTRIA

October 23	Price Sch %	+ or −
Creditanstalt	2,110	+10
Goesser	3,050	−130
Interunfall	11,550	−50
Jungbunzlauer	8,210	+60
Laenderbank	388	−2
Perlmooser	682	−8
Steyr-Daimler	116	+3
Veitscher Mag	788	−12

SINGAPORE

October 23	Price $	+ or −
Boustead Hldgs	1.18	−0.05
Cerebos Pacific	6.50	−0.9
Cold Storage	3.68	−0.32
DBS	9.00	−2.8
Genting	4.56	−0.54
Haw Par Bros	3.58	−0.72
Hong Leong Fin	3.08	−0.32
Inchcape Bhd	4.00	−0.7
Keppel Shipyard	2.25	−0.55
Malayan Banking	4.48	−1.02
Malayan Utd Ind	1.51	−0.29
Multi Purpose	0.45	−0.09
OCBC	8.40	—
OUB	5.15	+0.85
Public Bank	1.90	−0.19
Sime Darby	2.25	+0.35
Singapore Air	9.45	−1.25
Singapore Press	7.00	−0.8
Straits Trading	5.30	—
Tat Lee Bank	3.20	−0.6
UOB	5.15	−0.75

SOUTH AFRICA

October 23	Price Rand	+ or −
Abercom	2.30	−0.1
AE & CI	12.00	−2.75
Allied Tech	170.00	—
Anglo Am Coal	36.00	—
Anglo Am Corp	76.00	−8
Anglo Am Gold	370.00	−15
Barclays Bank	24.00	—
Barlow Rand	21.00	−2
Buffels	64.00	−6
CNA Gallo	6.00	—
Currie Finance	4.50	−1
De Beers	40.75	−4.35
Driefontein	83.00	−4.5
Freegold	48.00	−5
Gold Fields SA	85.00	−9
Highveld Steel	6.00	−1.7
Malbak Hldgs	22.00	—
Nedbank	7.00	−0.2
OK Bazaars	16.50	—
Rembrandt	11.50	−0.15
Rust Plat	42.00 xa	−5.5
Safren	25.50	−1.5
Sage Holdings	16.50	—
SA Brewers	20.00	−2
Smith (C.G)	47.50	—
Tongaat Hulett	12.75	+0.25

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. ø Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Kroner

Indices

NEW YORK DOW JONES

	October 22	October 21	October 20	October 19	1987 High	1987 Low	Since compilation High	Since compilation Low
◆Industrials	1950.43	2027.85	1841.01	1738.42	2722.42 (25/8)	1738.42 (19/10)	2722.42 (25/8/87)	41.22 (2/7/32)
Home Bonds	83.78	82.74	82.60	81.26	95.51 (9/2)	81.26 (19/10)	—	—
Transport	751.71	787.01	740.25	776.87	1101.16 (14/8)	740.25 (20/10)	1101.16 (14/8/87)	12.32 (8/7/32)
Utilities	181.54	184.27	170.10	160.98	227.83 (22/1)	160.98 (19/10)	227.83 (22/1/87)	10.50 (8/4/32)

◆Day's High (u) (u) Low (u) (u)

STANDARD AND POOR'S

Composite ‡	248.25	258.38	236.83	224.99	336.77 (25/8)	224.99 (19/10)	336.77 (25/8/87)	4.40 (1/6/32)
Industrials	282.99	295.71	270.05	257.81	393.17 (25/8)	257.81 (19/10)	393.17 (25/8/87)	3.62 (21/6/32)
Financials	23.92	24.89	22.66	21.77	32.43 (25/8)	21.77 (19/10)	32.43 (25/8/87)	8.64 (1/10/74)
NYSE Composite	139.45	145.02	133.04	128.34	187.99 (25/8)	128.34 (19/10)	187.99 (25/8/87)	4.46 (25/4/42)
Amex Mkt. value	269.02	281.97	258.16	282.50	365.01 (13/8)	258.16 (20/10)	365.01 (13/8/87)	29.31 (9/12/72)
NASDAQ OTC Comp	336.13	351.86	327.79	360.21	455.28 (26/8)	327.79 (20/10)	455.28 (26/8/87)	54.87 (31/10/72)

	Oct. 16	Oct. 9	Oct. 2	year ago (approx.)
Dow Industrial Div Yield	3.07	2.78	2.61	3.73
	Oct. 21	Oct. 14	Oct. 7	year ago (approx.)
S & P Industrial Div. yield	2.97	2.48	2.78	3.09
S & P P/E ratio	18.25	21.77	22.10	16.92

TRADING ACTIVITY

† Volume Millions

	Oct. 22	Oct. 21	Oct. 20
New York	394,957	451,959	613,872
Amex	26,561	34,591	41,536
OTC	(u)	(u)	213,438

NEW YORK

	Oct. 22	Oct. 21	Oct. 20
Issues Traded	2,051	2,069	2,076
Rises	336	1,749	509
Falls	1,548	209	1,445
Unchanged	167	111	122
New Highs	(u)	(u)	1
New Lows	(u)	(u)	1,174

CANADA

TORONTO

	Oct. 22	Oct. 21	Oct. 20	Oct. 19	1987 High	1987 Low
Metals & Minerals	2336.1	2539.5	2379.9	2942.8	3507.5 (5/10)	1988.2 (2/1)
Composite	3107.6	3258.5	(u)	3272.1	4112.9 (13/8)	2952.0 (20/10)
MONTREAL Portfolio	1546.96	1611.39	1481.04	1594.15	2224.77 (16/7)	1481.04 (20/10)

	Oct. 23	Oct. 22	Oct. 21	Oct. 20	1987 High	1987 Low
AUSTRALIA						
All Ord (1/1/80)	1515.1	1628.9	1568.6	1549.5	2305.9 (21/9)	1486.7 (2/2)
Metals & Minerals (1/1/80)	827.7	923.6	875.5	935.2	1462.4 (14/10)	729.1 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	206.88	207.71	204.24	207.92	232.19 (22/9)	182.21 (19/6)
BELGIUM						
Brussels SE (1/1/84)	4516.40	4624.41	4645.29	4282.60	5412.20 (13/8)	3987.86 (9/1)
DENMARK						
Copenhagen SE (3/1/83)	196.32	(u)	198.61	189.98	219.76 (27/8)	189.64 (6/1)
FINLAND						
Unitas General (1975)	623.1	637.5	581.1	633.4	679.1 (15/10)	425.2 (5/1)
FRANCE						
CAC General (31/12/82)	(u)	(u)	349.8	331.9	460.4 (26/3)	331.9 (20/10)
Ind Tendance (31/12/86)	(u)	(u)	(u)	90.2	117.2 (26/3)	87.0 (19/10)
GERMANY						
FAZ Aktein (31/12/58)	541.84	551.57	577.44	540.90	676.84 (6/1)	538.32 (19/3)
Commerzbank (1/12/53)	1666.70	1707.90	1780.30	1669.40	2061.10 (17/8)	1633.80 (19/3)
HONG KONG						
Hang Seng Bank (31/7/64)	(c)	(c)	(c)	(c)	3949.73 (1/10)	2448.88 (20/1)
ITALY						
Banca Com. Ital (1972)	585.36	602.78	610.47	588.58	767.34 (30/4)	585.36 (20/10)
JAPAN**						
Nikkei (16/5/49)	23201.22	24404.45	23947.40	21910.08	26646.43 (14/10)	18544.00 (13/1)
Tokyo SE New (4/1/68)	1894.97	1989.49	1962.41	1793.90	2258.56 (11/6)	1557.46 (13/1)
NETHERLANDS						
ANP CBS Gen (1970)	247.1	245.9	(u)	(u)	334.1 (14/8)	245.9 (22/10)
ANP CBS Indust. (1970)	205.0	209.6	(u)	(u)	280.8 (11/8)	205.0 (22/10)
NORWAY						
Oslo SE (4/1/83)	445.36	451.68	460.90	413.30	592.04 (21/9)	361.98 (2/1)
SINGAPORE						
Straits Times (30/12/66)	963.50	985.60	(c)	967.95	1505.40 (26/8)	889.08 (2/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	2136.0	2158.0	2205.0	2429.0	2499.0 (3/8)	1786.0 (19/3)
JSE Indust (28/9/78)	1976.0	1989.0	1982.0	2265.0	2266.0 (16/10)	1423.0 (2/1)
SPAIN						
Madrid SE (30/12/85)	269.82	279.05	(u)	280.24	325.44 (6/10)	202.89 (8/5)
SWEDEN						
Jacobson & P. (31/12/56)	2789.30	(u)	2963.70	2747.36	3550.40 (9/10)	2111.39 (28/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	588.6	(u)	631.8	603.3	729.7 (5/10)	559.7 (25/2)
WORLD						
M.S.Capital Intl. (1/1/70)	(u)	410.3	418.9	386.4	495.9 (27/8)	361.3 (2/1)

** Saturday October 17 Japan Nikkei (c), TSE (c)

Base values of all indices are 100 except Brussels SE — 1,000 JSE Gold — 255.7 JSE Industrials — 264.3 and Australia, All Ordinary and Metals — 500; NYSE All Common — 50; Standard and Poor's — 10; and Toronto Composite and Metals — 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 industrials plus 40 utilities, 40 Financials and 20 transports. (c) Closed.(u) Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
AT&T	5,695,100	28¾	−⅜
Gen Elec	5,298,900	47⅛	−3⅝
Santa Fe	5,218,600	51	+½
Kaiser Tech	4,614,000	18⅛	−1½
Dayton Hudson	4,575,200	29	−1⅛
IBM	3,982,400	120	−2⅜
Allied Signal	3,740,500	36⅛	−⅞
Exxon	3,497,900	43½	−¼
JC Penney	3,357,600	44½	−2
Ford Motor	3,086,900	73⅜	−3¼

CURRENCIES & MONEY

FOREIGN EXCHANGES

Dollar shows late fall

THE DOLLAR finished probably one of the longest weeks in living memory on a weaker note. Despite its fluctuations during the week, the US unit had started trading *yesterday virtually unchanged* from levels prevailing a week earlier. However there appeared to be some uncertainty generated by rumours that G7 ministers were about to hold an emergency meeting and that the dollar would be targeted with a lower range.

The subject of trading ranges was a source of much discussion because recent press comment suggested that there were no formal limits agreed by G7 ministers. In addition traders were unsettled by rumours that G7 ministers were going to have a meeting this weekend.

However the dollar was always likely to adopt a slightly weaker tone after recent cuts in prime rates and disappointment over *President Reagan's address* to the nation. However some traders were cautious, for while the idea of a lower dollar was not *necessarily abhorrent, central banks* were more likely to react to a sharp movement in rates as opposed to a more gentle decline.

The dollar closed at *DM1.7865* from DM1.8135 and Y142.65 compared with Y144.60. Elsewhere it finished at SFr1.4775 from SFr1.5055 and *FFr5.9750* compared with FFr6.05. On Bank of England figures, the dollar's exchange rate index fell from 101.0 to 100.7.

US third quarter GNP figures proved to be a little better than expected at 3.8 per cent compared with market *estimations of nearer* to 3 per cent although export figures were a little disappointing.

STERLING—Trading range against the dollar in 1987 is 1.6885 to 1.4710. September average $1.6456. Exchange rate index 73.5 against 73.4 at the opening and Thursday's close and compared with 72.5 six months ago.

Sterling finished little changed overall. Better than expected *trade figures and* a generally bullish economic background, provided underlying support. A current account deficit in September *of £55m compared with expecta*tions of nearer £300m was good enough to offset the effects of a surprise cut in UK base rates to *9½ per cent*.

The pound closed at $1.6770 from $1.6500 and DM 2.9950 compared with DM 2.9925. Against the yen *it rose to Y239.25 from Y238.5* and closed elsewhere at SFr 2.4775 from SFr 2.4850 and FFr 10.02 compared with FFr 9.9825.

£ IN NEW YORK

Oct. 23	Latest	Previous Close
£ Spot	1.6560-1.6570	1.6465-1.6475
1 month	*0.35-0.33pm*	*0.33-0.30pm*
3 months	0.81-0.77pm	0.87-0.80pm
12 months	2.70-2.60pm	2.95-2.75pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

		Oct. 23	Previous
8.30	am	73.4	73.4
9.00	am	73.4	73.4
10.00	am	73.3	73.4
11.00	am	73.4	73.5
Noon		73.5	73.5
1.00	pm	73.5	73.4
2.00	pm	73.4	73.5
3.00	pm	73.4	73.5
4.00	pm	73.5	73.4

CURRENCY RATES

Oct. 23	Bank rate %	Special * Drawing Rights	European Currency Unit
Sterling	—	0.780169	0.693625
U.S. Dollar	6	1.29313	1.15003
Canadian $	8.75	*	1.51195
Austrian Sch.	4	16.4292	14.6054
Belgian Franc	7¼	48.7833	43.2900
Danish Krone	7	8.95493	7.95821
Deutsche Mark	3	2.33539	2.07523
Neth. Guilder	4½	2.62635	2.33468
French Franc	9½	7.80857	6.93469
Italian Lira	12	N/A	1497.34
Japanese Yen	2½	186.469	165.202
Norway Krone	8	8.56957	7.61493
Spanish Peseta	—	*150.902*	*134.094*
Swedish Krona	7½	8.23530	7.31535
Swiss Franc	3.5	1.93582	1.71700
Greek Drach.	20½	179.931	159.774
Irish Punt	—	N/A	0.774640

* C$ SDR rates for Oct. 22; 1.69774

CURRENCY MOVEMENTS

Oct. 23	Bank of England Index	Morgan Guaranty* Changes %
Sterling	73.5	−19.8
U.S. Dollar	100.7	−6.9
Canadian Dollar	78.5	−9.7
Austrian Schilling	137.7	−10.1
Belgian Franc	99.4	−5.0
Danish Krone	91.3	+1.6
Deutsche Mark	146.9	+21.7
Swiss Franc	173.1	+23.0
Guilder	135.1	+14.6
French Franc	71.4	−13.2
Lira	47.3	−18.0
Yen	221.0	+65.3

OTHER CURRENCIES

Oct. 23	£	$
Argentina	6.7975-6.8350	4.1000-4.1200
Australia	2.3085-2.3115	1.3950-1.3960
Brazil	89.9425-89.9445	53.9460-54.2160
Finland	*7.2120-7.2245*	*4.3520-4.3540*
Greece	228.05-232.05	138.05-140.30
Hong Kong	12.9360-12.9385	7.8145-7.8160
Iran	118.65*	70.50*
Korea (Sth)	1319.20-1331.15	801.30-807.90
Kuwait	0.46650-0.46700	0.22815-0.22820
Luxembourg	62.75-62.85	37.40-37.50
Malaysia	4.1775-4.1850	2.5235-2.5260
Mexico	2692.60-2702.55	1625.00-1630.00
N. Zealand	2.5360-2.5410	1.5375-1.5395
Saudi Ar.	6.2135-6.2195	3.7500-3.7510
Singapore	3.4510-3.4575	2.0845-2.0860
S. Af. (Cm)	3.3825-3.3985	2.0440-2.0480
S. Af. (Fn)	5.6165-5.8135	3.3895-3.5085
Taiwan	49.40-49.60	29.95-30.05
U.A.E.	6.0850-6.0900	3.6725-3.6735

*Selling rate.

POUND SPOT—FORWARD AGAINST THE POUND

Oct. 23	Day's spread	Close	One month	p.a.	Three months	% p.a.
US	1.6510-1.6780	1.6765-1.6775	0.38-0.35c pm	2.61	0.81-0.74pm	1.85
Canada	2.1737-2.1965	2.1955-2.1965	0.40-0.29c pm	1.89	0.14-0.08pm	−0.20
Netherlands	3.36¼-3.37½	3.36½-3.37½	1⅛-1¼cpm	4.45	3⅞-3½pm	4.38
Belgium	62.25-62.85	62.75-62.85	20-15cpm	3.34	50-40pm	2.87
Denmark	11.44½-11.55½	11.54½-11.55½	½pm-¼oredis	0.39	¼pm-⅝dis	−0.15
Ireland	1.1125-1.225	1.1170-1.1180	0.20-0.10cpm	1.61	0.40-0.25pm	1.16
W. Germany	2.98¼-3.00	2.99-3.00	1⅝-1¼pf pm	6.01	4½-3¾pm	5.26
Portugal	235.72-238.48	237.50-238.48	36-89c dis	−3.15	151-242dis	−3.30
Spain	193.06-194.84	193.72-194.17	25-110c dis	−4.18	100-190dis	−2.99
Italy	2152¼-2168¼	2160½-2161½	Par—4 lire dis	−1.11	7-12dis	−1.76
Norway	10.94½-11.09½	11.08½-11.09½	3⅝-4½ore dis	−4.19	10½-11¼dis	−3.92
France	9.97½-10.02½	10.01½-10.02½	1¼-1⅛cpm	1.87	3⅞-3pm	1.37
Sweden	10.51¼-10.60½	10.57¼-10.58¼	⅝-⅛ ore pm	0.43	⅛-¼dis	−0.07
Japan	238-239¼	238¼-239¼	1¼-1ypm	5.64	3¼-3pm	5.22
Austria	21.00-21.07	21.04-21.07	9⅝-8⅝gro pm	5.20	26½-22⅞pm	4.65
Switzerland	2.47¼-2.48½	2.47¼-2.48¼	1½-1¼cpm	6.66	3⅝-3¼pm	5.55

Belgian rate is for convertible francs. Financial franc 62.35-63.45. Six-month forward dollar 1.50-1.40cpm. 12-month 2.50-2.30pm.

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

Oct. 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6510-1.6780	1.6765-1.6775	0.38-0.35c pm	2.61	0.81-0.74pm	1.85
Ireland†	1.4805-1.4860	1.4850-1.4860	0.13-0.09c pm	0.89	0.33-0.23pm	0.75
Canada	1.3119-1.3168	1.3135-1.3145	0.09-0.12c dis	−0.96	0.22-0.27dis	−0.75
Netherlands	2.0080-2.0380	2.0095-2.0105	0.34-0.30c pm	1.89	1.08-1.02pm	2.07
Belgium	37.40-37.71	37.40-37.50	2.00-0.20c pm	0.35	8.00-4.00pm	0.64
Denmark	6.88-6.93½	6.88½-6.89	1.00-1.70ore dis	−2.34	3.40-4.10dis	−2.17
W. Germany	1.7840-1.8100	1.7860-1.7870	0.49-0.46pf pm	3.16	1.37-1.32pm	2.98
Portugal	142½-142¾	—	40-90c dis	−5.46	150-300dis	−6.30
Spain	115.70-116.86	115.70-115.80	50-100c dis	−7.71	140-190dis	−5.65
Italy	1288-1305	1288¼-1289¼	3.50-5.00lire dis	−3.91	11.50-13.50dis	−3.84
Norway	6.61-6.64	6.61-6.61½	3.75-4.10ore dis	−7.11	10.15-10.55dis	−6.25
France	5.96½-6.04	5.97¼-5.97¾	0.35-0.45c dis	−0.80	1.35-1.65dis	−0.99
Sweden	6.30¼-6.37½	6.30½-6.31	1.05-1.35ore dis	−2.26	2.60-3.00dis	−1.76
Japan	142.50-144.20	142.60-142.70	0.38-0.35y pm	3.05	1.10-1.05pm	2.99
Austria	12.69¾-12.72¼	12.69¾-12.69¾	3.00-2.00gro pm	2.36	10.00-8.00pm	2.83
Switzerland	1.4760-1.5010	1.4770-1.4780	0.50-0.45c pm	3.81	1.31-1.24pm	3.41

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.75-37.85

EURO-CURRENCY INTEREST RATES

Oct. 23	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	9⅞-9⅝	9¹³⁄₁₆-9¹¹⁄₁₆	9⅝-9½	9⅝-9½	9⅝-9½	9⅝-9½
U.S. Dollar	6⅞-6¾	6¹³⁄₁₆-6¹¹⁄₁₆	7⅛-7	7¹³⁄₁₆-7¹¹⁄₁₆	7¹³⁄₁₆-7¹¹⁄₁₆	8³⁄₁₆-8¹⁄₁₆
Can. Dollar	6⅝-6⅜	7-6¾	7⅝-7⅜	8⅛-7⅞	8⅜-8⅛	8¹³⁄₁₆-8⁹⁄₁₆
D. Guilder	5⅜-4⅞	5⅛-4⅞	5⅛-5	5³⁄₁₆-5¹⁄₁₆	5¹¹⁄₁₆-5⁹⁄₁₆	5⅞-5¾
Sw. Franc	1¼-2⅞	7¼-7	3⁵⁄₁₆-3³⁄₁₆	4¼-4⅛	4¼-4⅛	4¼-4⅛
Deutschmark	3⁵⁄₁₆-3³⁄₁₆	3¹¹⁄₁₆-3⁹⁄₁₆	3¾-3⅝	4³⁄₁₆-4¹⁄₁₆	4⅜-4¼	4⅞-4¾
Fr. Franc	7¾-7⅝	7¾-7⅝	7¹³⁄₁₆-7¹¹⁄₁₆	8⁵⁄₁₆-8³⁄₁₆	8¹¹⁄₁₆-8⁹⁄₁₆	9-8⅞
Italian Lire	—	10-9	11¼-10½	12-11½	12⅛-11¼	12¼-12
B. Fr. (Fin.)	7¼-7⅛	6¾-6½	6⅞-6¾	7³⁄₁₆-7¹⁄₁₆	7¼-7⅛	7⅜-7¼
B. Fr. (Con.)	7½-7	7¼-6¾	7⅛-6¾	7¼-6⅞	7⅛-7	7½-7⅛
Yen	3⅝-3½	4³⁄₁₆-4¹⁄₁₆	4¼-4⅛	4¼-4⅛	4¹³⁄₁₆-4¹¹⁄₁₆	5¹⁄₁₆-4¹⁵⁄₁₆
D. Krone	9½-9⅛	9½-9⅛	10½-10⅛	10¾-10⅜	11-10⅝	11-10⅝
Asian $Sing.	6⅞-6¾	7-6⅞	7¼-7⅛	7⅜-7¼	7⅞-7¾	8¼-8⅛

Long-term Eurodollars: Two years 8⅝-8½ per cent; three years 8⅞-8⅝ per cent; four years 9⅛-8⅞ per cent; *five years 9⅛-9 per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others,* two days' notice.

EXCHANGE CROSS RATES

Oct. 23	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.677	2.995	239.3	10.02	2.478	3.370	2161.	2.196	62.80
$	0.596	1.	1.787	142.7	5.975	1.478	2.010	1289.	1.309	37.45
DM	0.334	0.560	1.	79.88	3.346	0.827	1.125	721.5	0.733	20.97
YEN	4.180	7.009	12.52	1000.	41.88	10.36	14.09	9032.	9.179	262.5
F Fr.	0.998	1.674	2.989	238.8	10.00	2.473	3.363	2157.	2.192	62.67
S Fr.	0.404	0.677	1.209	96.57	4.044	1.	1.360	872.3	0.886	25.35
H Fl.	0.297	0.498	0.889	70.99	2.973	0.735	1.	641.2	0.652	18.64
Lira	0.463	0.776	1.386	110.7	4.637	1.146	1.559	1000.	1.016	29.06
C $	0.455	0.764	1.364	108.9	4.563	1.128	1.535	984.1	1.	28.60
B Fr.	1.592	2.670	4.769	381.0	15.96	3.945	5.366	3441.	3.497	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

MONEY MARKETS

Uncertainty despite rate cut

INTEREST RATES fell sharply in London yesterday after clearing banks cut their base rates by half a point to 9½ per cent. This followed an unexpected reduction by half a point in Bank of England intervention rates.

The move was seen as a direct result of lower rates elsewhere, particularly in the US. The market had improved considerably after better than expected trade figures but uncertainty still left a flat yield structure out to one year. The cut in rates did little to solve this and one year interbank money finished the same as three-month at 9⅝-9½ per cent from 10½-10 per cent.

UK clearing bank base lending rate 9½ per cent from October 26

Weekend interbank money traded between 11 per cent and 8 per cent.

The Bank of England forecast a shortage of around £1,850m with factors affecting the market including the repayment of late assistance and bills maturing in official hands together with a take up of Treasury bills draining £508m and Exchequer transactions a further £865m. There was also a rise in the note circulation of £450m and banks brought forward balances £25m *below target*.

To help alleviate the shortage the Bank of England offered an early round of assistance which comprised outright purchases of £53m of eligible bank bills in band 1 at 9⅞ per cent and sale and repurchase agreements on £1,163m of bills at 9²⁷⁄₃₂ per cent for resale to the market in equal amounts on October 30 and November 2.

The forecast was revised to a shrtage of around £1,800m, before taking into account the early help and the Bank announced its readiness to accept outright offers for bills in all 4 bands at 9⅞ per cent which provided the signal for the base rate cut.

Further help in the morning *comprised outright purchases of* £60m of eligible bank bills in band 1 at 9⅞ per cent. Another revision in the afternoon took the forecast to a shortage of around £1,950m before taking into account the earlier help and the Bank gave additional assistance in the afternoon of £525m through outright purchases of £512m of eligible bank bills in band 1, £2m in band 2 and £11m in band 3 all at 9⅞ per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. Oct. 23) 3 months U.S. dollars		6 months U.S. dollars	
bid 7⁹⁄₁₆	offer 7¹¹⁄₁₆	bid 7⁹⁄₁₆	offer 7¹¹⁄₁₆

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

October 23	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.65-3.75	3.80-3.95	3.85-4.00	4.60-4.80	4.70-4.90	5.0
Paris	7⅝-7¼	7¾-7⅝	8¼-8⅛	8½-8⅝	8½-8⅝	7½
Zurich	⅞-1¼	3-3¼	—	4-4¼	—	—
Amsterdam	5-5⅛	5⅛-5¼	—	5½-5⅝	—	—
Tokyo	3.40625	3.84375	—	3.96875	—	—
Milan	10⅝-11⅛	11¼-11¾	—	12-12½	—	—
Brussels	7.20	6⅝-6¾	—	7-7⅛	—	—
Dublin	7⅞-8¼	8⅝-8⅞	8⅞-9⅛	9-9⅛	9½-9⅝	—

LONDON MONEY RATES

October 23	Over-night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	11-8	10½-10¼	10⅛-9⅞	10⅛-9½	10⅛-9½	10⅛-9½
Sterling CDs	—	—	9⅝-9½	9⁵⁄₁₆-9³⁄₁₆	9⁵⁄₁₆-9³⁄₁₆	9⅝-9½
Local Authority Deps.	10¼	10	9¹³⁄₁₆	9¹³⁄₁₆	10⅛	10⅛
Local Authority Bonds	—	—	10¼	10⅛	10⅛	10⅛
Discount Mkt Deps.	10-8	9¾	9½	9¾	—	—
Company Deposits	—	10	10	10⅛	10⅛	10⅛
Finance House Deposits	—	—	9⅞	9⅞	9⅞	9⅞
Treasury Bills (Buy)	—	—	9⅛	9⅛	—	—
Bank Bills (Buy)	—	—	9⅛	9⁷⁄₁₆	9⅝	—
Fine Trade Bills (Buy)	—	—	10⅛	9¹³⁄₁₆	9¹³⁄₁₆	—
Dollar CDs	—	—	7.15-7.10	7.55-7.50	7.60-7.55	8.10-8.05
SDR Linked Deposits	—	—	6⅝-6½	6¹³⁄₁₆-6¹¹⁄₁₆	7-6¾	7¼-7
ECU Linked Deposits	—	—	6¾-6⅝	7⅜-7¼	7¹³⁄₁₆-7⅝	7¹³⁄₁₆-7¹¹⁄₁₆

Treasury Bills (sell); one-month 9¼ per cent; three-months 9⅜ per cent; Bank Bills (sell); one-month 9⅜ per cent; three months 9⅜ per cent; Treasury Bills; Average tender rate of discount 9.7858 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day September 30, 1987. Agreed rates for period October 26 to November 24 1987, Scheme I: 11.42 p.c., Schemes II & III: 11.47 p.c. *Reference rate for period August 29 to September 30, 1987, Scheme IV: 10.219p.c.* Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10½ per cent from October 1, 1987: Bank Deposit Rates for sums at seven days' notice 3-3½ per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 8 per cent; one-three months 9 per cent; three-six months 9¼ per cent; six-nine months 9⅛ per cent; *nine-12 months 9⅛ per cent; Under £100,000 8 per cent from October 26, Deposits withdrawn for* cash 5 per cent.

LONDON STOCK EXCHANGE

Shares continue to give ground

Account Dealing Dates

*First dealing	Option Declarations	Last Dealings	Account Day
Oct 12	Oct 22	Oct 23	Nov 2
Oct 26	Nov 5	Nov 6	Nov 16
Nov 9	Nov 19	Nov 20	Nov 30

*New time dealings may take place from 9.00am two business days earlier.

FINANCIAL TIMES STOCK INDICES

	Oct. 23	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Year ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs	87.50	86.06	85.47	85.21	83.73	82.53	93.32 (8/5)	83.73 (19/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	91.96	91.90	91.75	91.11	91.05	88.81	99.12 (15/6)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1396.8	1435.3	1527.3	1439.2	1629.2	1251.6	1,926.2 (16/7)	1,320.2 (2/1)	1,926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	386.4	399.0	396.8	427.6	444.2	262.9	497.5 (4/8)	288.2 (19/2)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	4.37	4.22	3.97	4.21	3.70	4.46				
Earnings Yld.%(full)	10.76	10.41	9.72	10.33	9.07	10.29				
P/E Ratio (net) (*)	11.40	11.78	12.58	11.84	13.49	11.90				
SEAQ Bargains (5 pm)	74,661	86,240	103,680	78,969	56,790	—				
Equity Turnover (£m)	—	2688.91	2838.13	2814.33	2525.34	735.68				
Equity Bargains	—	114,974	109,235	80,974	55,708	32,398				
Shares Traded (ml)	—	919.1	834.4	952.0	708.4	349.6				

S.E. ACTIVITY

Indices	Oct. 22	Oct. 21
Gilt Edged Bargains	140.5	113.8
Equity Bargains	745.0	707.8
Equity Value	5435.0	5736.6
5-Day Average		
Gilt Edged Bargains	132.0	127.2
Equity Bargains	519.4	426.2
Equity Value	4528.2	4342.7

♥ Opening	10 a.m.	11 a.m.	Noon	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1425.1	1396.3	1366.3	1380.9	1374.3	1390.8	1386.7	1403.5

Day's High 1425.1 Day's Low 1365.7 Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 15.67 * Nil=11.24.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

The UK stock market endured another setback yesterday as Tokyo led the rest of the global marketplace in a bearish response to President Reagan's promise to cut the US Federal deficit. But the day's loss of 38 points on the FT-SE Index was something of a relief after the 150 to 250 point falls recorded earlier this week.

Investors continued to seek *refuge from the equity storm* by buying British Government securities. The £500m of official "tapettes", issued as three *tranches late on Thursday*, were fully bought out by 2.00pm. The bond market closed with gains ranging to nearly three points.

"I am glad I'm not a futures trader in Hong Kong", said one trader at a US bank, voicing London's worries over the *return from suspension* on Monday of one of the most volatile trading centres in the Far East.

Market operators looked exhausted at the end of a week which has taken 22 per cent off UK equity values in the largest and swiftest setback on record. It was also the end of the equity market's two week trading account, and the City was abuzz with rumours that the *November 2 Settlement Day could dis*close problems at trading firms.

It was another switch-back session, although prices remained well on the downside throughout. An irregular start in New York brought an equally ragged close for London, leaving the FT-SE 100 Index down 38 at 1795.2.

Such was the concern with economic prospects in the US that the London market could draw little help from either the favourable UK trade figures announced at midday, or from the news of half points cuts in British bank base rates. There were small buyers around for the privatisation issues as small investors took the view that the week's falls of around 12 per cent in both **British Gas** and **British Telecom**, and 27 per cent in **British Air** might be enough.

British Petroleum steadied, but remained nearly 12p below *the price effectively paid by the* underwriting institutions, as well as 15 per cent down on the week.

But the rest of the market took its lead from other global centres, opening lower as City men noted the fall in Japanese equities.

The news of a UK trade defict of £55m for September sparked a brief rally, but prices were fading again when the base rate cut news brought another equally unsuccessful recovery. Prices then resumed their downward slide, and awaited Wall Street with an 86 point loss on the FT-SE.

Marketmakers were active again, and the Seaq-recorded bargains total of 74,661 remained well up on recent levels. Traders often widened their quotations, although Scrimgeour Vickers, a Citicorp company, *held* them at normal ranges, "to facilitate clients' business".

The City remained extremely nervous despite the cuts in British base rates, which were seen as "internationally rather than domestically motivated. I would not rule out a cut in Federal discount rate, or even a dollar devaluation", said one banking analyst.

The Stock Exchange rejected suggestions for an early closure, and Shearson Lehman categorically denied rumours that it was considering pulling out of marketmaking in London.

The equity warrants market, which suffered problems on Thursday after heavy losses in the Japanese warrants which dominate the sector, *will meet on Monday to review the situa*tion.

Fund managers are now trying to establish "where the mar*ket ought to be - but finding it* very difficult", commented Ian Harwood, economic analyst at Warburg Securities. After the *debacle, UK stocks are selling* on about 10 or 11 times 1988 prospective earnings. That would have been acceptable until the end of last year, but not for 1987, believes Mr Harwood.

Merchant banks came under persistent selling pressure as fading bid hopes and widespread selling triggered by *fears of substantial losses re*sulting from the recent market setback, hit the sector. **Morgan Grenfell** dropped 497 to 349p and **SG Warburg** 40 to 358p. **Kleinwort Benson**, despite recent comment that the bank had emerged unscathed from the market collapse, fell 33 to 399p.

Insurances retreated across a broad front and remained unsettled by the recent substantial damage wrought by storms and floods throughout the UK. In the composites **Royals** were a particularly weak market, losing 32 to 413p reflecting its exposure to claims arising from the natural disasters. But **Sun Alliance** held up well to close only a shade off at 895p.

Record Holdings, a manufacturer and distributor of hand and bench tools, made a satisfactory market debut given the surrounding sensitive conditions. The shares opened and closed at the placing price of 88p having touched 90p at one stage.

The possibility of an increase in US excise duty posed further problems for UK groups with transatlantic interests. **Allied-Lyons** again traded freely - *volume totalled over 7m shares -* and fell 18 more for a five-day slump of 84 to 341p while **Guinness** shed 12 further to 286p, *extending its loss over the same* period to 75. **Bass** were a shade steadier yesterday but on the week still registered a drop of *125 to 820p. Regional issues sim*ilarly made no attempt to rally, despite fresh comment on the strong asset values of all Brewing groups, and **Vaux** ended 8 down at 505p. **Greenall Whitley** came back 6 more to 203p while end-Account selling lowered **Buckley's** 12 to 192p.

Leading Buildings came under *further selling pressure and* once again losses stretched well into double figures. A tentative rally, apparent in some equity sectors late in the day, failed to materialise and prices usually settled within a penny or so of the day's lowest levels. **Blue Circle** closed 24 down at 344p and **Rugby** finished 18 off at 202p. **RMC** were 20 cheaper at 418p and **Tarmac** 12 easier at 230p. **BPB Industries** and **Redland**, now competitors in the plasterboard market, were both on offer, the former losing 219at 260p and the latter 35 at 412p. Elsewhere, **Barratt Developments** lost 12 at 180p; bidrumours emanating from within the Building Industry were circulating earlier in the week. **Costain**, only 5 off on Thursday amid speculation that Trafalgar House had increased its holding, fell back to close 14 lower at 276p. **Taylor Woodrow** gave up 52 at 298p while losses of around 20 were seen in **Alfred McAlpine**, 525p, and **John Mowlem**, 375p.

Wall Street's latest setback overnight did little to instil confidence into **ICI** which slipped to £11⅜ prior to closing ⅜ lower at £11½. **Laporte** fell 42 to 419p and **Wardle Storeys** shed 30 to 595p.

A weak opening by the leading stores issues was followed *by a gradual return of confi*dence in the sector which subsequently picked up to close well above the lowest levels, and in some cases with good gains on the day.

Marks and Spencer, especially, attracted a number of institutional buying orders and ended the day with a 5 rise at 212p, ahead of Wednesday's interim figures. **GUS 'A'** were also well supported and showed *little* change on the day at £11¼. **Burton Group**, currently the subject of buy recommendations from numerous leading brokers, were 6 down on the day at 233p. **Harris Queensway**, upset earlier in the week by the latest board resignations and the sharply reduced profits, were a few pence off at 119p.

The electrical and electronics sector provided a handful of firm features, most notably **British Telecom** which again benefited from strong support from small investors and moved up 5 to 227p after a turnover of more than 11m shares.

GEC moved progressively higher during the afternoon and closed 6 up at 193p with around 12m shares going through the system; rumours in the afternoon that GEC has recently been picking up substantial parcels of stock in **Plessey** were regarded as wide of the mark by dealers, but Plessey shares still managed a minor gain at 167p. **Amstrad** proved a popular share with *speculators* who chased the stock up 6 to 135p.

Cable & Wireless, however, were heavily sold and closed 40 down at 313p *reflecting substan*tial selling by far eastern investors worried about the repercussions of the suspension of dealings *on the Hong Kong* market this week.

Engineers recorded further widespread losses. **James Neill** *closed 3 cheaper at 242p after* news that the company had called of the acquisition of Diston of the US and the propsed one-for-four *rights* issue. **Tace** ended a shade lower at 405p on the announcement that Evered had sold its entire holding (6.6 *per cent) in the company*. Noteowrthy losses included **Glynwed**, down 17 at 427p, and **Laird**, a similar amount cheaper at 228p.

The Food sector threw up one of the day's few genuine firm spots in **ASDA-MFI** which rose 10 *to 165p in reply to the compa*ny's confident statement on current trading and shareholders' approval at an EGM for the disposal of MFI to a number of institutions and its management. **Cadbury Schweppes** edged up a few pence to 224p, but **Unigate** gave up 7 at 297p and **Tate and Lyle** fell 22 to 691p.

Grand Metropolitan, reportedly part of a programme trade on Thursday, gave fresh ground to close 27 lower at 431p. **Trusthouse Forte** lost 17 to 211p and **Ladbroke** *shed* 11 at 365p.

International stocks experienced yet another volatile trading session. However, losses were *relatively modest* compared with the big falls recorded over the previous four trading sessions and in some cases prices were begining to show a little resistance to the downward movement. **Beecham** ended unaltered at 402, after touching 390 in the early dealings in a volume of 4.2m shares. **Glaxo** finished only a shade lower at £11⅝. Although quieter than of late, **Hanson** still recorded a *volume of some 15m* before closing 5 cheaper on the day at 128p. In contrast, **BOC** weakened afresh to close 23 lower at 368p, while **BTR** gave up *15 at 263p*. Elsewhere, **De La Rue** provided one of the day's few bright features, advancing 37 to 424p in the wake of *Robert Maxwell* stakebuilding rumours. **Cookson**, particularly hard hit over *the past few days*, rallied 19 to 583p in a small volume of trade, while **Granada** staged a rally to close 16 up at 282p. On the other hand, another *long list of* losses included **Lep Group** which reacted 19 to 193p following a County NatWest "take profits" *recommendation after* the preliminary figures. **Bridport Gundry** also reacted sharply following trading news and closed 43 cheaper at 230p. *Falls of around* 30 were recorded in **Associated British Ports**, 493p, and **English China Clays**, 430p, while **Cannon Street Investments** *fell* 21 to 289p.

LWT firmed 5 to 925p in response *to the excellent annual* results and proposed sub-division of 25p shares into 5p shares.

Jaguar concluded a depressing week a further 11 down which extended the fall over the five days to 182p to 398p, only a few pence off the year's low point. **Lucas Industries**, another major sufferer in the Motor sector, *slumped 34 more* to 527p while **Kwik-Fit** gave up 14 to 180p. Distributor **Appleyard** tumbled 52 to 368p and **Lex Service** retreated 11 *further* 393p. **Western Motor** requested a suspension of its listing when the shares stood at 438p, and subsequently announced *a large ac*quisition. It is buying the business and assets of Satra including an exclusive conces*sion for Lada cars* in the UK and Eire for £20.6m, to be satisfied by a cash payment and the issue of new shares.

Recently rated a prime investment, **United Newspapers** plunged 41 further to 423p for a *sharp loss of nearly £2 on the* week. The situation was similar throughout the Paper/Printings sector where **Bunzl** reacted 14 to 172p and **DRG** gave up 17 at 372p. **Saatchi & Saatchi** lost fresh ground but the casualty among Agencies was **WPP** which backtracked 83 to 580p.

One or two of the recent casualties in the Property sector *gave a steadier performance*. **MEPC** were relatively resilient in the sector's latest setback and closed unchanged at 440p, after 435p. ***British Land*** performed similarly and closed a shade at 242p. **Land Securities**, however, remained sadly below par and *settled* 27 lower at 448p while **Peachey** lost 18 at 375p. **Great Portland Estates** gave up 14 at 245p and **Hammerson A** shed 15 to 545p.

Speculation of liquidity problems arising from a recent large *transaction in which the group* acted as the principal continued to depress independent marketmaker **Smith New Court**, down 20 further at *210p*. Elsewhere, **MAI** lost 32 to 543p and **Britannia Arrow** shed 9 to a 1987 low of 140p.

Apart from BP the oil and gas sector included features in **Shell**, up ⅛ at £10⅞ following US *buying* and **British Gas**, where renewed support by private investors lifted the shares 4½ to 147p. The Overseas *Traders sector* experienced further weakness and leading stocks again fell heavily. **Inchcape** dropped 70 to 610p while **Harrisons & Crosfield** dipped 758 to 480p and **Lonrho** 12 further to 239p.

Traded Option buisiness was down on recent days. The total number of contracts recorded was 58,329 made up of 28,930 *calls* and *29,399* puts. Thursday's total was 86,012 contracts while on Wednesday 119,142 contracts were transacted.

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
Allied Lyons (*342)	330	43	60	80	20	23	30
	360	25	40	53	30	45	50
	390	15	28	40	55	60	65
Brit. Airways (*159)	160	32	45	60	25	35	38
	180	18	27	40	35	40	45
	200	11	18	27	50	50	75
Brit. & Comm. (*355)	360	45	75	—	35	45	—
	390	35	60	75	55	60	65
	420	28	50	60	75	80	85
B.P. (*284)	280	—	47	60	—	33	42
	283	35	—	—	28	—	—
	300	25	35	47	40	47	55
Bass (*820)	820	80	110	140	40	60	90
	850	50	80	110	60	80	120
	900	35	60	100	100	120	140
Cons. Gold (*910)	950	180	—	—	90	—	—
	1000	150	210	270	140	170	210
	1050	130	180	230	180	210	240
Courtaulds (*383)	390	35	53	65	35	45	55
	420	22	38	53	60	65	75
	460	13	25	40	85	90	100
Com. Union (*358)	330	55	60	—	17	25	—
	360	35	40	—	25	35	—
	390	17	33	45	35	50	60
	420	15	20	30	65	70	80
Cable & Wire (*314)	330	40	—	—	50	—	—
	360	35	60	80	75	105	90
	390	25	40	70	110	130	120
British Gas (*147)	135	32	—	—	13	—	—
	140	—	32	40	—	18	25
	145	21	—	—	20	—	—
	155	12	—	—	25	—	—
G.E.C. (*193)	180	37	44	55	16	25	35
	200	23	33	50	27	32	42
	220	16	28	37	38	47	50
G.K.N. (*307)	300	40	50	60	22	35	40
	330	27	40	50	40	53	58
	360	18	30	40	55	65	78
Grand Met. (*425)	420	47	60	75	32	45	55
	460	30	43	55	58	72	78
	500	15	25	40	90	98	105
I.C.I. (*1158)	1150	140	170	210	110	130	130
	1200	115	—	—	130	—	—
	1250	90	120	160	160	180	190
Jaguar (*402)	390	55	75	90	40	50	65
	420	45	60	80	65	80	90
	460	27	40	65	85	100	110
Land Securities (*450)	420	53	—	—	25	—	—
	460	40	52	60	40	45	55
	500	22	33	50	70	75	80
Marks & Spen. (*212)	200	35	43	45	16	22	25
	220	25	33	35	27	33	35
	240	16	22	23	40	43	45
Britoil (*245)	240	40	57	65	30	30	47
	260	32	45	58	45	45	57
	280	24	37	47	57	65	73
Rolls-Royce (*146)	140	25	32	43	20	30	35
	160	18	23	35	32	40	50
	180	—	—	25	—	—	60
Shell Trans. (*1088)	1050	140	205	250	105	135	160
	1100	110	170	225	130	165	220
	1150	85	135	200	160	200	250
Storehouse (*310)	300	37	43	55	25	27	67
	330	27	35	45	43	48	65
	360	17	25	—	70	70	—
Trafalgar House (*319)	300	40	—	—	25	—	—
	330	27	42	53	40	43	48
	360	15	28	38	60	65	70
TSB (*120)	120	18	20	—	7	13	—
	130	12	13	18	17	18	20
	140	5	10	13	25	28	30
Woolworth (*314)	300	45	65	65	35	40	60
	330	28	35	50	45	50	80
	360	—	30	—	—	65	—

Option		Calls Nov	Calls Feb	Calls May	Puts Nov	Puts Feb	Puts May
Brit Aero (*398)	420	30	50	70	40	50	70
	460	15	30	45	70	90	100
	500	10	20	30	115	125	130
BAA (*116)	110	20	25	32	11	13	18
	120	12	17	25	18	22	27
	130	9	13	18	25	30	35
BAT Inds (*481)	460	60	—	—	25	—	—
	500	28	45	65	40	45	65
	550	14	30	50	75	80	95
Brit. Telecom (*226)	220	23	35	45	18	27	35
	240	12	22	35	30	37	45
	260	5	13	20	40	50	55
Cadbury Schweppes (*218)	220	15	28	28	20	25	30
	240	8	14	15	30	35	40
Guinness (*284)	280	20	40	50	18	33	35
	300	12	25	35	32	43	48
	330	5	17	25	55	55	63
Ladbroke (*365)	360	30	43	57	18	27	38
	376	—	35	45	—	35	47
	389	10	—	—	35	—	—

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
LASMO (*311)	300	32	55	67	27	42	48
	330	17	37	50	45	58	68
	360	9	25	37	65	72	80
Pilkington (*299)	260	15	22	33	33	35	43
	280	6	13	17	50	55	60
	300	3	6	10	70	72	73
Plessey (*168)	160	27	42	49	17	20	25
	180	15	28	35	25	30	35
	200	6	15	22	42	45	52
Prudential (*798)	800	60	85	100	45	60	80
	850	45	60	70	80	90	100
	900	25	40	50	110	110	120
P. & O. (*470)	500	43	62	80	45	50	58
	538	22	—	—	75	—	—
	550	—	35	60	—	90	97
Racal (*219)	220	26	—	—	27	—	—
	240	15	32	47	44	52	65
	260	10	25	35	58	75	75
R.T.Z. (*343)	320	80	—	—	15	—	—
	340	65	—	—	35	—	—
	360	55	—	—	50	—	—
Vaal Reefs (*$113)	110	15	25	—	8	11	—
	120	10	20	24	14	19	23
	130	7	16	20	22	25	29
Tr. 11¾% 1991 (*106)	102	3¹¹⁄₁₆	3⅞	—	0⅛	0⅜	—
	104	1¹³⁄₁₆	2¼	—	0⅜	1⅛	—
	106	0⅞	1⅜	—	1¼	2⅜	—
	108	0⅛	0¹¹⁄₁₆	—	2¾	3¹³⁄₁₆	—
Tr. 12% 1995 (*110)	108	—	—	4⅛	—	—	2⅛
	110	—	—	2¹³⁄₁₆	—	—	3⅛
Tr. 11¾% 03/07 (*116)	110	6⅝	7⅛	7¹³⁄₁₆	0¼	1⅛	1⅞
	112	4⅝	6¼	6⅛	0⅝	1⅝	2⅞
	114	3⅛	4⅝	5⅜	1¼	2⅝	3¼
	116	2¼	3¹³⁄₁₆	4⅜	1⅞	3½	4⅛

Option		Calls Dec	Calls Mar	Calls June	Puts Dec	Puts Mar	Puts June
Amstrad (*135)	130	30	40	47	20	28	35
	140	20	30	40	25	35	40
	160	12	27	30	35	45	55
Barclays (*470)	460	50	70	80	35	45	55
	500	25	45	60	55	65	65
	550	13	30	40	95	100	100
Beecham (*405)	390	55	75	90	40	55	65
	420	30	50	70	70	70	80
	460	17	35	55	85	100	105
Boots (*253)	240	30	42	47	30	32	35
	260	20	30	37	42	43	45
	280	13	20	27	55	60	60
BTR (*261)	280	25	40	55	33	45	55
	300	15	27	40	50	60	70
	330	8	17	25	75	80	85
Blue Circle (*340)	350	40	—	—	40	—	—
	360	—	60	75	—	55	63
	375	20	—	—	55	—	—
De Beers (*$1200)	1200	290	—	—	15	—	—
	1300	190	—	—	80	—	—
	1400	90	—	—	—	—	—
Dixons (*271)	300	30	42	52	45	52	55
	330	20	30	37	65	72	75
	360	9	22	30	92	97	97
Glaxo (*1163)	1150	135	170	220	130	150	170
	1200	105	150	190	150	170	190
	1250	80	120	170	170	190	215
	1300	60	95	140	200	220	245
Hanson (*130)	130	16	21	25	16	17	22
	140	10	16	20	20	25	28
	160	6	10	15	35	38	40
	180	3	6	9	53	55	56
Lonrho (*239)	236	35	—	—	17	—	—
	240	—	45	52	—	23	30
	255	23	—	—	25	—	—
Midland Bk (*403)	410	55	—	—	40	—	—
	420	—	55	65	—	50	55
	440	20	35	—	65	70	—
Sears (*128)	130	15	18	22	14	16	18
	140	11	15	17	20	24	28
	160	4	9	10	36	36	39
Tesco (*163)	167	16	—	—	25	—	—
	180	—	—	24	—	—	34
	183	9	19	—	32	34	—
Trusthouse Forte (*211)	200	35	—	—	7	—	—
	220	20	27	37	15	18	25
	240	11	16	25	25	32	38
Thorn EMI (*593)	550	50	90	115	55	70	90
	600	30	55	85	95	120	135
	650	15	35	60	125	145	165
Unilever (*487)	460	65	90	105	40	50	55
	500	40	65	80	60	70	75
	550	30	50	65	95	105	110
Wellcome (*380)	360	70	85	100	40	45	50
	390	50	65	85	55	65	65
	420	40	55	75	70	80	85
	460	25	45	60	100	110	120

Option		Calls Oct.	Calls Nov.	Calls Dec.	Calls Jan.	Puts Oct.	Puts Nov.	Puts Dec.	Puts Jan.
FT-SE Index (*1790)	1700	199	220	250	270	100	150	175	250
	1750	150	200	230	230	120	230	220	280
	1800	130	160	200	210	160	250	230	300
	1850	100	120	180	200	200	280	250	320
	1900	70	100	175	180	225	300	300	350
	1950	50	90	120	150	250	300	350	380

October 23. Total Contracts 58,329. Calls 28,930. Puts 29,399.
FT-SE Index Calls N/A. Puts N/A.
*Underlying security price.

Traditional Options

- ● First dealings Oct 5
- ● Last dealings Oct 16
- ● Last declarations Jan 7
- ● For Settlement Jan 18

For rate indications see end of London Share Service

Stocks dealt in for the call included **British Petroleum, Jaguar, Ultramar, Fisons, Norex, Cable and Wireless, Harris Queensway, Rolls-Royce, Inoco, Helene of London, Polly Peck, Martin Ford, Telephone Rentals, Dewey Warren, Hillsdown Holdings, Astra Holdings, Butte Mining, Camford, TSB, Tranwood, Abaco, Blue Arrow, Astra Trust, Central Securities, Wm. Morrison, Supermarkets, Hobsons, Blacks Leisure, Eagle Trust, Dunton Group, Storehouse, Lonrho, Britoil, Rotaprint, Hanson Trust, Dee Corporation, Elswick, Amstrad, Reuters, Allied Lyons and Rothmans.**

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (7)

BRITISH FUNDS (1), Treasury 2pc 1988, INTL. BANK OF O'SEAS STLS. ISSUES (1), Utd Mexican States 16½pc, LOANS (1), N'wide Ang. 10⅞pc 22/8/88, INDUSTRIALS (1), Third Mile Invests., TRUSTS (3), River Plate Zero Div Pf., Scot Nat Stepped Pf., Do Zero Div Pf.

NEW LOWS (83)

AMERICANS (15), CANADIANS (4), CHEMICALS (1), STORES (2), ELECTRICALS (10), ENGINEERING (1), FOODS (1), INDUSTRIALS (11), INSURANCE (3), LEISURE (1), NEWSPAPERS (1), PAPERS (1), PROPERTY (1), SHIPPING (3), TRUSTS (9), OILS (2), OVERSEAS TRADERS (2), MINES (12), THIRD MARKET (1).

DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they *are not in order of execution but in ascending order which* denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. φ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

Corporation and County Stocks
No. of bargains included 2

Greater London Council 6¾% Stk 90/92 - £88½
Birmingham Corp 2½% Stk 1926(or after) - £24 (19Oc87)
Leeds Corp 3% Deb Stk 1927(or after) - £27 (21Oc87)
Liverpool Corp 3% Red Stk 1942(or after) - £25 (21Oc87)
Salford Corp 5½% Red Stk 86/88 - £94 (21Oc87)

UK Public Boards
No. of bargains included 2

Agricultural Mortgage Corp PLC 6½% Deb Stk 85/90 - £84½ 5 (19Oc87)
7¼% Deb Stk 91/93 - £83 (20Oc87)
10¼% Deb Stk 92/95 - £94½
Metropolitan Water Metropolitan Water 3% A Stk 63/2003 - £43 (19Oc87)
Port of London Authority 3% Port of London A Stk 29/99 - £40½

Commonwealth–Government
No. of bargains included nil

South Australian 3% Cons Ins Stk 1916(or after) - £23 (21Oc87)
Jersey Electricity Co Ld 6% Gtd Stk 2000 - £93½ (19Oc87)

Foreign Stocks, Bonds, etc–(coupons payable in London)
No. of bargains included 6

Airlease International Finance 8¾% Gtd Bds 1988 - $97½
Argyll Group PLC 4½% Cnv Bds 2002 - £91½ ¾ (21Oc87)
ASDA-MFI Group PLC 4¾% Cnv Bds 2002(Br£1000&£5000) - £104¼φ 5φ 7φ
BTR PLC 4¼% Cnv Sub Bds 1995(BrEC1000&10000) - EC109φ
Blue Circle Industries PLC 6½% Subord Cnv Bds 2002 - £107φ
Cadbury Schweppes PLC 8% Cnv Bds 2000 - $184.23φ 8.41φ 8.29φ 200φ
Consolidated Gold Fields PLC 6¾% Cnv Subord Bds 2002(Br£1000&5000) - £122φ
DRG PLC 6¾% Subord Cnv Bds 2002 - £94φ 6φ
Dee Corporation PLC 5% Cnv Bds 2002 (Br£1000&5000) - £92φ
Dixons Group (Capital) PLC 6¾% Cnv Gtd Bds 2002 (Br£5000&50000) - £102φ
Hillsdown Hldgs PLC 4½% Cnv Bds 2002 - £90 ¾ 1¾ (20Oc87)
International Bank for Rec & Dev 9¾% Bds 2007 (Br£5000) - £87¾
11¼% Nts 1995 - £101½ (19Oc87)
Italy(Republic of) 8¾% Nts 1991 - $97½ ¾
Land Securities PLC 9½% Bds 2007 - £81¾ (19Oc87)
6¾% Cnv Bds 2002 - £90φ 2φ
Lasmo North Sea PLC 9¼% Cnv Bds 1999 - $126
Lonrho Finance PLC 4½% Cnv Gtd Bds 2002 - £101½φ
4¾% Cnv Gtd Bds 2001 - $154 (19Oc87)
National Westminster Bank PLC 14½% Cap Nts 1993 - £101¾ 102 (21Oc87)
Next PLC 8¾% Cnv Bds 2002 - £111φ 2φ 3φ
Pearson PLC 5¾% Cnv Bds 2001 - $203.46 (19Oc87)
Zero Cpn Bds 1992(Br£1000&5000) - £81¾ (19Oc87)
Prudential O'seas Funding Corp NV Wts to purchase Shs of ATT Com Stk - $112½ (20Oc87)
Redland Finance PLC Zero Cpn Nts 1992 - £60½ (19Oc87)
Smith & Nephew Associated Cos PLC 4% Cnv Bds 2002 - £106φ
Storehouse PLC 4¼% Cnv Subord Bds 2001(Br£5000) - £108φ
Tesco PLC 4% Cnv Bds 2002(Br£1000&5000) - £101¾φ 2½φ 3φ
Trusthouse Forte PLC 11¾% Nts 1990(Br £5000) - £100 ¾ (20Oc87)
Ultramar PLC 8% Cnv Bds 2002 - £98¾
United Kingdom Fltg Rate Nts 1996 (Br$10000&500000) - $99.23 (20Oc87)
Wellcome PLC 9¾% Bds 2006 - £87¾ 8 (21Oc87)

Sterling Issues by Overseas Borrowers
No. of bargains included 135

American Brands Inc 12½% Uns Ln Stk 2009 - £107¾ ¾ 8¾ 9
Asian Development Bank 10¾% Ln Stk 2009(Reg) - £95¾φ
Australia(Commonwealth of) 9½% Ln Stk 2012(Reg) - £87¾φ 8φ
11½% Ln Stk 2015(Reg) - £103¾ ¾
16% Gtd Ln Stk 2008 - £136¾ ¾ ½ ¾ 9¾ ¾ 40
Cigna Overseas Finance NV 13% Uns Ln Stk 2008 - £111¾ 3
Credit Foncier De France - £94¾ 5
14¾% Gtd Ln Stk 2007(Reg) - £130¾ ¾ ¾
Denmark(Kingdom of) 13% Ln Stk 2005 - £112½
Eason Finance NV 12½% Uns Ln Stk 2014(Reg) - £108½ ¾
Electricite de France 12½% Gtd Ln Stk 2008(Reg) - £113¾
11¾% Gtd Ser Ln Stk 2009/12(Reg) - £107¾ ½ ⅝ 8 ¾
European Investment Bank 9% Ln Stk 2001 (Reg) - £88¾
10¾% Ln Stk 2004(Reg) - £97¾ ¾ ¾ 8¾ 9 ¾
10⅛% Ln Stk 2004(Br £5000) - £97¾φ
11% Ln Stk 2002(Reg) - £102¾ ½ ¾ 4
Finland(Republic of) 11½% Ln Stk 2009(Reg) - £103¾ ¾ ½ 4 ¾ ½ 5¾
Hydro-Quebec 12.75% Ln Stk 2015 - £114 ¾ ½ ¾
15% Ln Stk 2011 - £130 1½ ½ 2
Inter-American Development Bank 9¾% Ln Stk 2015 - £90½ ¾ 1¾ 2¾ ¾
International Bank for Rec & Dev 9½% Ln Stk 2010(Reg) - £90¾ ½ ¾ ¾ ½ ¾
11.5% Ln Stk 2003 - £106¼φ
Ireland 12½% Ln Stk 2008(Reg) - £108¾ ¾ 9 10
Malaysia 10¾% Ln Stk 2009(Br) - £90 (21Oc87)
New Zealand 11½% Stk 2014(Reg) - £103¾ 4 ¾ 5¾ ¾ ¾
Nova Scotia(Province of) 11¾% Ln Stk 2019 - £105¾ ¾ ¾
16½% Ln Stk 2011 - £143½φ 4½φ
Portugal(Rep of) 9% Ln Stk 2016(Reg) - £80
Province de Quebec 12¾% Ln Stk 2020 - £109¾ (21Oc87)
Spain(Kingdom of) 11¾% Ln Stk 2010(Reg) - £104½ 5 ½ ½ ¾
Sweden(Kingdom of) 9¾% Ln Stk 2014(Reg) - £91½
13.5% Ln Stk 2010(Reg) - £122¾
United Mexican States 16½% Ln Stk 2008(Reg) - £100¼φ

Banks and Discount Companies
No. of bargains included 3776

Bank of Wales PLC 13¾% Subord Uns Ln Stk 95/97 - £110φ
Barclays Bank PLC 7¾% Uns Cap Ln Stk 86/91 - £88 (20Oc87)
8¼% Uns Cap Ln Stk 86/93 - £86½φ 7¼φ
12% Uns Cap Ln Stk 2010 - £108¾
16% Uns Cap Ln Stk 2002/07 - £132¾ 3
Commerzbank Ag Cdbr(Bse Warburg) DM10 - £16
Hill Samuel Group PLC 8% Uns Ln Stk 89/94 - £91 (20Oc87)
Midland Bank PLC 7½% Subord Uns Ln Stk 83/93 - £83¾ 5
10¾% Subord Uns Ln Stk 93/98 - £97 ¼ 8¼
14% Subord Uns Ln Stk 2002/07 - £118¼ ¾ ¾ 20 ¾
National Westminster Bank PLC 7% Cum Prf £1 - 61
9% Subord Uns Ln Stk 1993 - £95½ (20Oc87)
12½% Subord Uns Ln Stk 2004 - £110 ¾ 1¾
Standard Chartered PLC 12⅝% Subord Uns Ln Stk 2002/07 - £110 ¾ ¼
TSB Group PLC Ord 25p - 117 8 8 .118 20 20 1 .121 .878 2 2‡ .122 .3775 ¾ 8 3 ½‡ 4 4 ½‡ 5 5 6 7 7 8 8 8‡ 9 5‡ 30 30 1 1 .869 2 2 ½ .867 3 3 3‡ .133 4 4 4‡ ½‡ 5 5‡ ¾‡ ½‡ 6½‡ 7 7‡

Breweries and Distilleries
No. of bargains included 1372

Allied-Lyons PLC 5½% Cum Prf £1 - 43 5 (19Oc87)
7½% Cum Prf £1 - 63 (19Oc87)
6¼% Red Deb Stk 84/89 - £90
6¾% Red Deb Stk 87/92 - £91¾ (20Oc87)
6¾% Red Deb Stk 88/93 - £84
7¾% Red Deb Stk 88/93 - £83¾ (21Oc87)
7¾% Uns Ln Stk 93/98 - £79 (21Oc87)
Bass PLC 3¾% Deb Stk 87/92 - £78 (21Oc87)
8¾% Deb Stk 87/92 - £87 8¾
Bass Investments PLC 6% Uns Ln Stk 85/90 - £85 (19Oc87)
7¾% Uns Ln Stk 92/97 - £78¾ (21Oc87)
Boddington Group PLC 9¾% Uns Ln Stk 2000/05 - £85 (19Oc87)
9¾% Cnv Uns Ln Stk 2000/05 - £175
Buckley's Brewery PLC 5½% Cum Prf £1 - 47 (19Oc87)
4½% 1st Mtg Deb Stk Red - £39 (19Oc87)
Bulmer(H.P.)Hldgs PLC 8¾% 2nd Cum Prf £1 - 108 (19Oc87)
7½% Ird Uns Ln Stk - £57 (20Oc87)
Greenall Whitley PLC "A" Ord 5p - 115φ
8% Cum Prf £1 - 98
Hardys & Hansons PLC Ord 25p - 740 60
Higsons Brewery PLC 6½% Uns Ln Stk 2000/05 - £57 (19Oc87)
Mansfield Brewery PLC Ord £1 - 485
Scottish & Newcastle Breweries PLC 8¾% Cum Prf £1 - 47 (19Oc87)
7% Cnv Cum Prf £1 - 135 (21Oc87)
8% 1st Mtg Deb Stk 84/89 - £98φ 90φ
7¾% 1st Mtg Deb Stk 89/94 - £84½φ
Seagram Distillers PLC 12¾% Deb Stk 2012 - £110¾
Vaux Group PLC 9.875% Deb Stk 2015 - £99¾φ 9φ ¾φ
Watney,Mann & Truman Hldgs PLC 7% Red Deb Stk 88/93 - £83½
10¾% Red Deb Stk 90/95 - £98 (20Oc87)
12¾% Red Deb Stk 2008 - £109¾ ½ ¾ 10¾
8% Uns Ln Stk 90/95 - £85 (20Oc87)
Whitbread & Co PLC B Ord 25p - 383 (21Oc87)
7% Red Deb Stk 88/93 - £81 (19Oc87)
9¾% Red Deb Stk 91/96 - £92 (19Oc87)
7¼% Uns Ln Stk 95/99 - £73½ (20Oc87)
7¾% Uns Ln Stk 96/2000 - £80¼ (19Oc87)
Whitbread Investment Co PLC Ord 25p - 320 20
6½% Deb Stk 87/92 - £81½ (19Oc87)

Registered Housing Associations
No. of bargains included nil

North Housing Association Ld Zero Cpn Ln Stk 2019 - 415 (20Oc87)
Zero Cpn Ln Stk 2027 - 210 20 (19Oc87)

Commercial, Industrial, etc
No. of bargains included 45604

AGA Aktiebolag Non-Restricted Series "B" Sk25 - SK189 (20Oc87)
AGB Research PLC 6.2% Cnv Prf £1 - 100 3 (21Oc87)
AMEC PLC 15% Uns Ln Stk 1992 - £100
Alba PLC New Ord 10p(Fp/LA-20/11/87) - 138 8 8 42
Albion PLC Ord 20p - 92φ
Albright & Wilson Ld 8% Deb Stk 87/92 - £86 (19Oc87)
Alcan Aluminium Ld Com Shs of Npv - £15
Alexanders Hldgs PLC "A"(Rst.V)Ord 10p - 32 5
Amari PLC 8% Cum Cnv Red Prf £1 - 126 (21Oc87)
Amber Day Hldgs PLC 10½% Cum Prf 99/2002 £1 - 180 5 (20Oc87)
Appletree Hldgs PLC Ord 10p - 280
Argyll Group PLC Warrants to sub for Ord - 270 5
Associated British Engineering PLC 4.9% Cum Prf £1 - 53 (19Oc87)
Associated British Foods PLC 5½% Uns Ln Stk 87/2002 50p - 28 (19Oc87)
7½% Uns Ln Stk 87/2002 50p - 36 (19Oc87)
Astra AB Free "B" Shs SK12.50 - £22 (19Oc87)
Astra Holdings PLC Ord 5p (Ex Div) - 44 6 ½ ½‡ 7 ½ 8 ¾‡ 9 ½ 50 50 ½ 1 2 ½ ½‡ 3 ½ ¾ 4 ½ 5 ½ ½‡ 6 6‡ ½ ½‡ ¾‡ 7 ¾‡ ¾ ½‡ ¾‡ 8 ½‡
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 - 190 (21Oc87)
Ayrshire Metal Products PLC Ord 25p - 95 100
BICC PLC 7% Deb Stk 85/90 - £87
7¾% Deb Stk 90/95 - £84
BOC Group PLC 12¾% Uns Ln Stk 2012/17 - £108¾ 11¾
B.S.G.International PLC 12¾% Uns Ln Stk 93/98 - £100 (21Oc87)
Barker & Dobson Group PLC 6¾% Uns Ln Stk 90/95 - £70 3 (19Oc87)
Barlow Rand Ld Pfd Ord R0.10 - 400φ
Beattie(James) PLC 8% Cum Prf £1 - 50 (19Oc87)
Beazer(C.H.)(Hldgs) PLC 8.67% Cum Red Prf £1 (99p Pd-23/10/87) - 28¾φ
6¾% Cnv Uns Ln Stk 2000 - £187φ
Benson SBG PLC Ord 10p - 80
Blackwood Hodge PLC 9% Uns Ln Stk 85/90 - £92φ
Blue Circle Industries PLC 5¾% 2nd Deb Stk 1984/2009 - £57½
9% Deb Stk 92/97 - £86 (19Oc87)
10½% Deb Stk 94/99 - £94¾ (20Oc87)
Boeing Co Shs of Com Stk $5 - $41¾ (19Oc87)
Boots Co PLC 7¾% Uns Ln Stk 88/93 - £89φ
Braithwaite Group PLC Ord £1 - 300 5 10 5 22 30
7½% Cum Prf £1 - 86 (19Oc87)
Bramall(C.D.)PLC 14% Cnv Uns Ln Stk 93/03 - £265 (19Oc87)
Bridon PLC 10¾% Deb Stk 91/96 - £92 (19Oc87)
Bristol Stadium PLC Ord Stk 5p - 450 (21Oc87)
British Airways PLC Ord 25p - 143 5 7 .2525 ½ .852 8 9 .85 50 50 2 2 3 3 .848 4 5 5 5‡ .844 6 .843 7 7 .842 8 8 8‡ .158 8‡ 60 60 60‡ .16 1 1‡ ¾‡ 2 2‡ ½‡ 3 5 5 7 7 7‡ 8 8 9 ½‡ 70 70 1 .828 2 2 3 3 3‡ ½‡ ¾‡ 4‡ 5 6‡ ½‡ 7 7‡ 8 8 8‡ 80
ADR (10:1) - $26½ 7¼ ¾
British-American Tobacco Co Ld 5% Cum Prf Stk £1 - 42 (20Oc87)
6% 2nd Cum Prf Stk £1 - 50 (20Oc87)
British Amer Tobacco Investm PLC 10% Uns Ln Stk 90/95 - £94 (19Oc87)
10½% Uns Ln Stk 90/95 - £96½
British Printing & Comm Corp PLC 5.25% Cum Prf £1 - 104 (20Oc87)
British Shoe Corp Hldgs PLC 8½% Cum 3rd Prf £1 - 58 (21Oc87)
7% Uns Ln Stk 85/90 - £89 (21Oc87)
Brown & Jackson PLC Ord 20p - 45 5 6 7 8 9 ½‡ 50 50‡ ½ ½‡ 1½‡
Brown(John) PLC 5¾% Sec Ln Stk 2003 - £57φ
Bulgin(A.F.) & Co PLC Ord Stk 5p - 70 80
Bunzl PLC 7% Cnv Uns Ln Stk 95/97 - £125φ 8φ
Burndene Investments PLC 15% Uns Ln Stk 2007/12 - £105 (19Oc87)
Burton Group PLC Wts to Sub for Ord Shs 1991 - 75φ 5φ
8% Uns Ln Stk 98/2003 - £71 (19Oc87)
9¼% Uns Ln Stk 98/2003 - £84 (19Oc87)
8% Cnv Uns Ln Stk 1996/2001 - £110 2 5
C.H. Industrials PLC 7% Cnv Cum Prf £1 - 315 (19Oc87)
Cadbury Schweppes PLC 3½% Cum 1st Prf Stk £1 - 41φ
Cannon Street Investments PLC 7.7% Cnv Cum Red Prf 94/98 - £13¾
Cape Industries PLC 10% Deb Stk 86/91 - £91 (20Oc87)
Caterpillar Inc Shs of Com Stk $1 - $54¾ (20Oc87)
Channel Tunnel Investments PLC 5p - 175 80 5 90 220 30
Charter Consolidated PLC 2p(Br) (Cpn 46) - $5.35 p 325 (20Oc87)
Clarke(T.) PLC Ord 10p - 58 (21Oc87)
Clyde Blowers PLC Ord 25p - 350 (20Oc87)
Coats Patons PLC 4¾% Uns Ln Stk 2002/07 - £47½ (21Oc87)
7¾% Uns Ln Stk 90/95 - £84
Coats Viyella PLC 4.9% Cum Prf £1 - 58 (20Oc87)
Cohen(A.) & Co PLC Non.V "A" Ord 20p - 650 80 (20Oc87)
Collins(William) PLC 6% Deb Stk 93/98 - £63 (19Oc87)
Combined English Stores Group PLC 7¾% Cum Prf £1 - 90 (21Oc87)
Cope Allman International PLC 7¾% Red Uns Ln Stk 71/90 - £84 (20Oc87)
Corah PLC 6% Cum Prf £1 - 58 (19Oc87)
Courtaulds PLC 7¾% Deb Stk 89/94 - £84
5½% Uns Ln Stk 94/96 - £69¾ (19Oc87)
6½% Uns Ln Stk 94/96 - £74¾ 5 7
7½% Uns Ln Stk 94/96 - £77 (19Oc87)
Courts(Furnishers) PLC Ord 25p - 345 (19Oc87)
Crest Nicholson PLC 5½% Cnv Cum Red Prf £1 - 104 5 8 8
Cronite Group PLC 14% Cnv Deb Stk 1992 - £200 (21Oc87)
Crystalate Hldgs PLC 8¾% Cnv Uns Ln Stk 2003 - £143φ
9¾% Cnv Uns Ln Stk 99/2000 - £368 (21Oc87)
Cummins Engine Co Inc Com Stk $2.50 - $50.84099φ
DRG PLC 7¾% Uns Ln Stk 86/91 - £88¼
Davies & Metcalfe PLC "A"(Non.V)Ord 10p - 95 100
Debenhams PLC 6½% Uns Ln Stk 86/91 - £84 5¾
7¾% Uns Ln Stk 2002/07 - £65 (19Oc87)
Delta Group PLC 4½% Deb Stk 85/90 - £79¼φ 80½φ
Dencora PLC 6.25% Cum Cnv Red Prf £1 - 128φ
Dewhirst(I.J.)(Hldgs) PLC 9.75% Cum Prf £1 - 100 (19Oc87)
Dewhurst PLC Ord 10p - 65
Dickie(James)&Co(Drop Forgings)PLC Ord 25p - 155 60 77‡
Dominion International Group PLC Warrants to sub for Ord - 11
Dow Chemical Co Com Stk $2.50 - $70.9776 (20Oc87)
Dubilier International PLC 11% Cum Prf 50p - 45 (19Oc87)
EMAP PLC Ord 25p - 200 5 10 2 2 5 7 7‡ 8 20 20 2 3
Elliott(B.) PLC 7% Cnv Cum Red Prf £1 - 115 27 (19Oc87)
Elys(Wimbledon) PLC Ord 25p - 730 (19Oc87)
English China Clays PLC 7½% Uns Ln Stk 93/98 - £79 (19Oc87)
European Home Products PLC 5¾% Cnv Cum Red Prf 2006/11 £1 - 134 (20Oc87)
Evered Holdings PLC 3.85% Cum Prf £1 - 52φ
Evode Group PLC 8% Cnv Uns Ln Stk 03/08 - £170 (20Oc87)
11.5% Cum Prf £1 - 104 (19Oc87)
FII Group PLC 7.7% Cnv Cum Red Prf 95/99 £1 - 275 (20Oc87)
Ferranti PLC 5.6% 1st Cum Prf £1 - 65 (19Oc87)
Fluor Corp Com $0.625 - £9.6 $ 15¾ (19Oc87)
Folkes Group PLC Ord 5p - 55 7 8 60 2
Fortnum & Mason PLC Ord Stk £1 - £37 (20Oc87)
Friendly Hotels PLC 4¾% Cnv Cum Red Prf £1 - 98 8 100 (20Oc87)
5% Cnv Cum Red Prf £1 - 170
Futura Hldgs PLC Ord 25p - 530
GEI International PLC 10% Uns Ln Stk 87/92 - £90 (21Oc87)
GKN (United Kingdom) PLC 6½% Gtd Deb Stk 84/89 - £90¾ (21Oc87)
7¾% Gtd Deb Stk 87/92 - £85 (19Oc87)
10½% Gtd Deb Stk 90/95 - £96¾ (20Oc87)
General Electric Co PLC 7¾% Uns Ln Stk 88/93 - £80 (19Oc87)
General Instrument Corp Shs of Com Stk $1 - £16.7
General Motors Corp Com Stk $1 2/3 - £36½
7¾% Gtd Uns Ln Stk 87/92 - £83 (19Oc87)
Gestetner Hldgs PLC 10% Cnv Uns Ln Stk 90/95 - £145 50
Glamar Group PLC Ord 10p - 230
Glass Glover Group PLC 6¾% Cum Cnv Red Prf 2000 £1 - 120 (19Oc87)
Glaxo Group Ld 6¾% Uns Ln Stk 85/95 50p - 39¾
Goodwin PLC Ord 10p - 44 5 8 9
Grand Metropolitan PLC 4¾% Cum Prf £1 - 42½
5% Cum Prf £1 - 44 (19Oc87)
6¼% Cum Prf £1 - 50 (19Oc87)
10% Uns Ln Stk 91/96 - £92½ (21Oc87)
Great Universal Stores PLC 7½% Uns Ln Stk 83/88 - £97 (19Oc87)
8¾% Uns Ln Stk 93/98 - £88
Halliburton Co Com Stk $2.50 - $30 (19Oc87)
Halma PLC 11% Cum Prf £1 - 115 (19Oc87)
Hawker Siddeley Group PLC 5½% Cum Prf £1 - 46 8 (19Oc87)
7¾% Deb Stk 87/92 - £84 (19Oc87)
Henlys PLC 8¾% Uns Ln Stk - £71 (19Oc87)
Hercules Inc Shs of Com Stk of NPV - £33¼φ $ 50¼φ
Hickson International PLC 8¾% Uns Ln Stk 89/94 - £80
Hoechst Ag DM50 (Cpn 51) - £89.297659 100 DM285 270 274 278 291½ 293 295¾ 297½ 298
House of Fraser PLC 8¾% Uns Ln Stk 93/98 - £79
Hunterprint Group PLC 6½% Cnv Cum Red Prf £1 - 233 (19Oc87)
Hunting Associated Industries PLC 9½% Cnv Uns Ln Stk 03/08 - £320 (21Oc87)
IBA International PLC Ord 5p - 105 7 10 2 3 3 5 6 20 2 3 4 7 8
ITL Information Technology PLC Ord 10p - 93 4
Imperial Chemical Industries PLC 5¾% Uns Ln Stk 94/2004 - £62¾
7¾% Uns Ln Stk 86/91 - £88 8 9
8¾% Uns Ln Stk 88/93 - £87 ½ 8 ¾
11¾% Uns Ln Stk 91/96 - £98¾ 102½
International Bus Mach Corp Shs Cap Stk $1.25 - £74 5 ½ ¾ $ 119¾ 120 122
Johnson & Firth Brown PLC 11% Uns Ln Stk 93/98 - £90¾ (19Oc87)
Johnson,Matthey PLC 8% Cnv Cum Prf £1 - 510 (21Oc87)
Juliana's Hldgs PLC 7¾% Cnv Uns Ln Stk 2000/02 - £50 (20Oc87)
Keppel Corporation Ld Ord S$ 1 - S$2.4132 (20Oc87)
Laing(John) PLC Ord "A" Non Vtg 25p - 306 10 2 4 4 6 8 22
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 - 42 (19Oc87)
Lewis's Investment Trust Ld 6½% Mtg Deb Stk 85/90 - £86 8 (19Oc87)
Lex Service PLC 2nd Ser Wts To Subscribe for 1 Ord - 290φ
Lockheed Corporation Shs of Com Stk $1 - $37.9587 (20Oc87)
London Entertainments PLC Ord 20p - 310
London International Group PLC 10½% Uns Ln Stk 90/95 - £96¾ (20Oc87)
Lucas Industries PLC 7¾% Uns Ln Stk 83/88 - £90 (19Oc87)
Lyon & Lyon PLC Ord 25p - 203 (19Oc87)
MBS PLC 6% Cnv Uns Ln Stk 1997 - £96 (19Oc87)
M.Y.Holdings PLC Dfd Ord 10p - 69 (21Oc87)
Macanie(London) Ld 7¾% Uns Ln Stk 86/91 - £88φ
Macarthy PLC 5¾% "B" Cum Red Prf £1 - 60 (19Oc87)
McCarthy & Stone PLC 7% Cnv Uns Ln Stk 99/04 - £218
Magnet PLC 5.625% Cnv Cum Red Prf 2012 £1 - 83 3 ½ 5
Marks & Spencer PLC 7% Cum Prf £1 - 62 (20Oc87)
10% Cum Prf £1 - 86 (20Oc87)
Metal Box PLC 4.9% Cum Prf Stk £1 - 59φ
10½% Uns Ln Stk 92/97 - £97¼
Monsanto Co Com Stk $2 - $88 (20Oc87)
Morceau Hldgs PLC 8¾% Cnv Uns Ln Stk 2000 - £78 (21Oc87)
Morrison(Wm.)Supermarkets PLC 5¼% Cum Red Cnv Prf £1 - 100 1 3 4
Mount Charlotte Investments PLC 9½% Cnv Uns Ln Stk 95/2000 - £535 (19Oc87)
Neil & Spencer Hldgs PLC Dfd Ord 10p - 20φ 3φ
News International PLC 7% 1st Cum Prf £1 - 60 (20Oc87)
8% 2nd Cum Prf £1 - 68 (20Oc87)
Next PLC 7% "A" Cum Prf £1 - 58 (19Oc87)
Noble & Lund PLC 8% Cnv Cum Red Prf £1 - 157
Nobo Group PLC Ord 10p - 260 2
Norfolk Capital Group PLC New Ord 5p (Fp/PAL-23/10/87) - 31
Norsk Data AS Class "B"(Non Vtg) NK20 - £10.79235 .837887 .928862 1 1 .020036 .111111 .202186 .29326 $ 16¾ 17 18 19.854 NK118 119 119.4 123
North British Steel Group(Hldgs)PLC Ord 25p - 53 5
North Midland Construction PLC Ord 10p - 130 (20Oc87)
Norton Opax PLC 5¾% Cnv Cum Red Prf 2002 £1 - 101
Oliver(George)(Footwear) PLC Ord 25p - 410 5 (20Oc87)
PLM AB "B" Unrestricted Shs SK 25 - SK212.2φ
Pall Corporation Shs of Com Stk $0.25 - $26 (20Oc87)
Parker Knoll PLC Ord 25p - 940 (20Oc87)
Parkland Textile(Hldgs) PLC Ord 25p - 220
Pavilion Leisure Hldgs PLC 10p - 400
Pentos PLC Dfd Ord 20p - 270 70
Pittard Garnar PLC 9½% Cum Prf £1 - 110 2 (21Oc87)
Plessey Co PLC 7¾% Deb Stk 92/97 - £86¾
Press Tools PLC Ord 10p - 390 400
R.E.A.Hldgs PLC 13¾% Uns Ln Stk 87/90 - £94 (21Oc87)
RJR Nabisco Inc Shs of Com Stk NPV - £32¾ $ 51¾ (19Oc87)
RPH Ld 9% Uns Ln Stk 99/2004 - £79 (20Oc87)
Racal-Chubb Ld 9% Uns Ln Stk 92/95 - £80 (19Oc87)
8¼% Uns Ln Stk 87/92 - £90 (19Oc87)
Rank Organisation PLC 5¾% Cum Prf £1 - 50 4 (21Oc87)
8% 2nd Cum Prf £1 - 72 (19Oc87)
8% Uns Ln Stk 88/93 - £80 (19Oc87)
10¾% Uns Ln Stk 97/2002 - £94¼
Ranks Hovis McDougall PLC 6% Cum "A" Prf £1 - 50 (21Oc87)
6¾% Uns Ln Stk 85/88 - £95
8¾% Uns Ln Stk 83/88 - £90 (19Oc87)
8¾% Uns Ln Stk 90/94 - £89¾φ
8½% Uns Ln Stk 91/95 - £86¼
Ratcliffs(Great Bridge) PLC 6% Cum 2nd Prf £1 - 63 (20Oc87)
Redland PLC 5% Cum Prf Stk £1 - 60
6¼% Red Deb Stk 88/93 - £77
7½% Red Deb Stk 90/95 - £80φ 1φ
Reed(Austin)Group PLC Ord 25p - 350φ
Reed Executive (Hldgs) PLC Ord 2p - 215 20 2‡ 5
Reed International PLC 6% Deb Stk 83/88 - £94φ 5φ
7¾% Deb Stk 90/95 - £85 (19Oc87)
7¾% Uns Ln Stk 96/2001 - £87½ (21Oc87)
10% Uns Ln Stk 2004/09 - £90 (20Oc87)
Renold PLC 6% Cum Prf Stk £1 - 50
6¾% 1st Deb Stk 90/95 - £75 (21Oc87)
Rohr Industries Inc Shs of Com Stk $1 - $22φ
Rolls-Royce PLC Ord 20p - $2.49 p 137 8 9.86 40 40‡ 1 2 2 3 3 4 ½‡ 5 5 5‡ 6‡ ½‡ 7 7 7‡ 8 8 9‡ ½‡ 50 50 50‡ 1‡ 2 2 3 3 5 5 6 ½‡ 7 7 7‡ 8 8 60 60‡ 1‡ 2 2‡ 3 3 5 5 5‡ 6 7 7 7‡ 8 8 ½‡ 9‡ ½‡ 70 70 70‡ 1½‡ 2‡
Ropner PLC 11½% Cum Prf £1 - 131 (21Oc87)
Rowntree PLC 7% 2nd Cum Prf £1 - 62 (19Oc87)
Rugby Group PLC 6% Uns Ln Stk 93/98 - £65 (19Oc87)
STC International Computers Ld 6% Deb Stk 83/88 - £88
Saatchi & Saatchi Co PLC ADR (3:1) - $21 ¾ ½ ¾ 2
6% Cnv Uns Ln Stk 2015 - £117φ
Sainsbury(J) PLC 8% Ird Uns Ln Stk - £67¼ (19Oc87)
Sanderson Murray&Elder(Hldgs) PLC Ord 50p - 205 15
Scantronic Hldgs PLC 5.75% Cnv Cum Red Prf £1 - 285 (19Oc87)
Scapa Group PLC 8% Uns Ln Stk 88/93 - £79 (19Oc87)
Schering AG Shs of DM50,100 &1000 (Cpn 51) - £198.153846φ
Schneiders(S.) & Son Ld 6% Cum Red Prf(2000 or after)£1 - 47 (19Oc87)
Scott's Restaurant PLC Ord 12½p - £12.05 (19Oc87)
Sears PLC 7¾% Uns Ln Stk 92/97 - £77½ (19Oc87)
Shs of Com Stk $0.75 - $33¼φ
Sidlaw Group PLC 7½% Uns Ln Stk 2003/08 - £50 (19Oc87)
Simon Engineering PLC 6% Cum Prf £1 - 45 (19Oc87)
9¾% Deb Stk 92/97 - £86 (19Oc87)
Slingsby(H.C.)PLC Ord 25p - 315 20 (20Oc87)
Smith(W.H.)& Son(Hldgs) PLC "B" Ord 10p - 84
Spillers Ld 7¾% Deb Stk 84/89 - £92¾ (20Oc87)
Spong Hldgs PLC Cnv Cum Red Prf 20p - 110 (20Oc87)
Stonehill Hldgs PLC 10½% Cum Prf £1 - 80
Storehouse PLC 9% Cnv Uns Ln Stk 1992 - £217
Sutcliffe,Speakman PLC Warrants to sub for Ord - 100 (19Oc87)
9¾% Red Cum Prf £1 - 103 (19Oc87)
Suter PLC Dfd Ord 5p - 239
Swan(John) & Sons PLC Ord 25p - 470 (20Oc87)
Symonds Engineering PLC Ord 5p - 44 5 7
T & N PLC 8% Mtg Deb Stk 87/92 - £91¼ ¾ (20Oc87)
10.1% Mtg Deb Stk 90/95 - £97φ ¾φ
TDK Corporation Shs of Com Stk Y50 - $30¾ Y 470 510 625.71 820
TI Group PLC 5.8% Uns Ln Stk 89/94 - £70 (19Oc87)
7.7% Uns Ln Stk 89/94 - £79 (20Oc87)
Tarmac PLC 8¾% Uns Ln Stk 90/95 - £80 (20Oc87)
Tate & Lyle PLC 13½% Cnv Uns Ln Stk 94/99 - £240 (20Oc87)
Television South PLC 10% Subord Cnv Uns Ln Stk 1997 - £227
Telfos Hldgs PLC Warrants to sub for Ord - 35 (20Oc87)
9% Cum Prf £1 - 111
Tesco PLC 4% Uns Deep Disc Ln Stk 2006 - £44½ ¾
Tex Holdings PLC Ord 10p - 143 8 51½‡
Thomson Organisation PLC 5.83% Cum Prf £1 - 72 ½
THORN EMI PLC Warrants to sub for Ord - 230 5 (19Oc87)
5% Uns Ln Stk 2004/09 - £47 (20Oc87)
6½% Uns Ln Stk 89/94 - £85 (19Oc87)
Tilling(Thomas) PLC 5.25% Cum Prf £1 - 65 (19Oc87)
8% Deb Stk 85/90 - £86 (20Oc87)
8½% Uns Ln Stk 89/94 - £86¼ (21Oc87)
Tioxide Group PLC 11½% Uns Ln Stk 91/96 - £98 (21Oc87)
Titaghur Jute Factory PLC Ord Stk £1 - 200‡
6% Cum Prf Stk £1 - 43 (19Oc87)
Tomkins(F.H.) PLC 9¼% Cnv Uns Ln Stk 1994 - £295 (21Oc87)
Tootal Group PLC 6¾% Deb Stk 85/90 - £86 (19Oc87)
7¾% Uns Ln Stk 89/94 - £87
Towles PLC "A" Non.V.Ord 10p - 155
Trafalgar House PLC 8% Uns Ln Stk 94/99 - £81
9½% Uns Ln Stk 2000/05 - £87½
Tranwood Group PLC Warrants to sub for Ord - 44 5 7 8 8‡ 50
Trinity International Hldgs PLC Ord(Lim Vtg)Stk 50p - 830 80
6% Cum Prf Stk £1 - 44 5 ½ (19Oc87)
Trusthouse Forte PLC Warrants to sub for Ord - 55 9
6.25% 1st Mtg Deb Stk 84/89 - £93½ (19Oc87)
10.5% Mtg Deb Stk 91/96 - £98¾ (20Oc87)
9.1% Uns Ln Stk 95/2000 - £88½φ
Turriff Corp PLC 6¾% Uns Ln Stk 83/88 - £89½φ 90½φ
Unigate PLC 5% Uns Ln Stk 91/96 - £62 (19Oc87)
6½% Uns Ln Stk 91/96 - £77
Unilever PLC 5½% Uns Ln Stk 91/2006 - £53φ
7¾% Uns Ln Stk 91/2006 - £74 5 ½ 6 ½
Union International Co PLC 6% Cum Prf Stk £1 - 49φ
United Biscuits(Hldgs) PLC Warrants to sub for Ord (1989) - 123 3 4 4 5 5 7 8 9½‡
Upton(E.)& Sons PLC Ord 25p - 130 (21Oc87)
Vantona Viyella PLC 4.2% Deb Stk 84/89 - £85½ (19Oc87)
7.5% Deb Stk 84/89 - £89 (19Oc87)
Vickers PLC 5% Cum(Tax Free To 30p)Prf Stk £1 - 61 (20Oc87)
Victoria Carpet Hldgs PLC Ord 25p - 172
Volvo AB "B" SK25(Non-Restricted) - $54 54 54¼ 54½ 54¾ 55½ 55½ 55¾ 56¾ 56¾ 56½ 56¾ 56¾ 57½ 57¾ SK345.45 345½ 346 356 356 3 380 356.87
WB Industries PLC Ord 10p - 57 (20Oc87)
WCRS Group PLC 5.5% Cnv Cum Red Prf 1999 10p - 148 (19Oc87)
Walker(Alfred) PLC 8¾% Cum Cnv Red Prf £1 - 310 (20Oc87)
Walker & Staff Hldgs PLC Ord 5p - 170 8 80 (20Oc87)
Walker(Thomas) PLC Ord 5p - 53 7
Warner-Lambert Co Com Stk $1 - £34½ (21Oc87)
Ord Ir£0.05 (inc Waterford Wedgwood) - I£1 1.162 p 90 3 5 7 8 8 102 3 4 5 7
Waverley Cameron PLC Ord 25p - 303φ
Westland Group PLC Warrants to sub for Ord - 55
6% Deb Stk 83/88 - £96 (19Oc87)
Wilkinson & Riddell(Hldgs) Ld 5% Cum Prf Stk £1(Tax Free To 30p) - 65 (19Oc87)
Williams Hldgs PLC 10½% Cum Prf £1 - 128 (19Oc87)
Wilson(Connolly)Hldgs PLC 10½% Cum 2nd Prf £1 - 123 (19Oc87)
Xerox Corp Com Stk $1 - £42¼ ¾ (19Oc87)
Zetters Leisure PLC Ord 10p - 140

Financial Trusts, Land, etc
No. of bargains included 1405

American Express Co Com $0.60 - £15¾ 7 $ 24½ 26
Anglo Leasing PLC New Ord 10p (Fp/LA-6/11/87) - 200 2 5 10 5
Baillie Gifford Technology PLC Warrants to sub for Ord - 21 2 3
Britannia Arrow Hldgs PLC Wts To Subscribe for Ord - 93 7 102
Compagnie Bancaire S.A. FF100(Br) - £53.106212 FR537.8415 539.73904
Daily Mail & General Trust PLC Ord 50p - £27
Edinburgh Financial Trust PLC Warrants to sub for Ord - 33
F & C Enterprise Trust PLC Ser B Warrants to sub for Ord - 18 (19Oc87)
Ferguson(James)Hldgs PLC Ord 10p - 150 60
First National Finance Corp PLC 10% Subord Uns Ln Stk 1992 - £93 (21Oc87)
Guinness Flight Global Strategy Fd Ptg Red Prf $0.01(Managed Currency Fund) - $33.41 (19Oc87)
IBI Global Funds Ld Ptg Red Prf $0.01(Managed Shs) - £15.73 (16Oc87)
Inchcape PLC 10½% Uns Ln Stk 90/95 - £95φ
12¾% Uns Ln Stk 93/98 - £108
Independent Investment Co PLC Warrants to sub for Ord - 19 (19Oc87)
JF Pacific Warrant Co SA Ord $2 (Br) - £38 58 (20Oc87)
Prf $2 (Br) - £23 (20Oc87)
Korea-Europe Fund Ld Shs $0 10 - $24 Shs(IDR to Br) $0.10 - $825φ 0φ 500φ
Lloydstrust Gilt Fund Ld Ptg Red Prf 1p - £9.93
London & European Group Ld 10¾% Uns Ln Stk 1993 - £94½ (21Oc87)
MIM Britannia Jersey Gilt Fund Ld Ptg Red Prf 1p - 19.4 20.6
Melville Street Investments PLC Warrants to sub for Ord - 47 8 (19Oc87)
Mercury Offshore Sterling Trust Shs of NPV(Global Fund) - 124.1 (16Oc87)
Shs of NPV(European Fund) - 106.42
Mercury Selected Trust Shs NPV European Fund(Reg) - $24.6916 (16Oc87)
Mezzanine Capital&Inc Tst 2001 PLC Inc Shs £1 - 153
Practical Investment Co PLC Ord 10p - 105 10 (19Oc87)
Rothschild(J.)Hldgs PLC Warrants to sub for Ord - 85 7 8 90 3 5 7 8
Royal Trust Dollar Income Fund Ld Ptg Red Prf $0.01 - $1.099 (15Oc87)
Singer & Friedlander Group PLC New Ord 10p (Fp/PAL-26/10/87) - 75
Smith New Court PLC Warrants to sub for Ord - 170 (21Oc87)
12% Subord Uns Ln Stk 2001 - £95¾ ½ (20Oc87)
Strata Investments PLC Warrants to sub for Ord - 77 (19Oc87)
Transcontinental Services Group NV - 105 20
Value & Income Trust PLC Warrants 89/94 to sub for Ord - 17
6¾% Cum Cnv Red Prf £1 - 153 (19Oc87)
Vanbrugh Currency Fund Ld Ptg "C" Red Prf 1p - 174.2 (20Oc87)

Insurance
No. of bargains included 1178

Alexander & Alexander Services Inc Shs of Class C Com Stk $1 - £12¾ (16Oc87)
Commercial Union Assurance Co PLC 5% Cum Red Prf 89/2009 £1 - 48
General Acc Fire&Life Assc Corp PLC 7¾% Uns Ln Stk 87/92 - £83½ (20Oc87)
Guardian Royal Exchange Assurance PLC 7% Cum Red Prf £1 - 85φ
7% Uns Ln Stk 86/91 - £85 6 (19Oc87)
Lloyd Thompson Group PLC New Ord 5p (Fp/LE-20/11/87) - 183 8 90

Investment Trusts
No. of bargains included 1013

Alisa Investment Trust PLC 5% Cum Prf Stk - £50 (20Oc87)
Alliance Trust PLC 4% Prf Stk (Cum) - £36 (21Oc87)
Atlantic Assets Trust PLC Warrants to sub for Ord - 18
Baillie Gifford Japan Trust PLC Warrants to sub for Ord - 370 (19Oc87)
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord - 30 (20Oc87)
CDFC Trust PLC 6¾% Cnv Uns Ln Stk 2010(Fp/PAL-6/11/87) - £98 (21Oc87)
C.S.C.Investment Trust PLC Ord 25p - 230φ
Capital Gearing Trust PLC Ord 25p - 215
Child Health Research Inv Trust PLC Ord 10p - 59 60 (21Oc87)
Danae Investment Trust PLC Wts to Subscribe for 1 Inc & 1 Cap - 70 (19Oc87)
Derby Trust PLC Warrants to sub for Cap Shs - 148
Dundee&London Investment Trust PLC 5% Cum Prf Stk - £45 (20Oc87)
EFM Dragon Trust PLC Shs with Warrant(Fp/LA-11/12/87) - 9½ 10 ½ 1 ½
Edinburgh Investment Trust PLC 5¾% Deb Stk 1998 - £89 (21Oc87)
11½% Deb Stk 2014 - £108½ ¾ ¾ ½
English & Caledonian Investment PLC Ord £1 - 255 (19Oc87)
English & International Trust PLC 5¾% Cum Prf £1 - 61 (20Oc87)
External Investment Trust PLC Ord £1 - 790 (20Oc87)
F.& C. Pacific Investment Trust PLC Warrants to sub for Ord - 63 8
First Spanish Inv Trust PLC Warrants to sub for Ord - 42 5 6 9
Fleming Mercantile Inv Trust PLC 4¾% Perp Deb Stk - £30 (20Oc87)
GT Venture Investment Co PLC Ord 50p (With Warrants) (Fp/LA-23/10/87) - 87 (20Oc87)
German Securities Inv Trust PLC Ord £1 - 88 94
German Smaller Co's Inv Trust PLC Warrants to sub for Ord - 86 (19Oc87)
Globe Investment Trust PLC 10% Deb Stk 2016 - £91¾ ½ 2¾ 3¾ ½
Govett Strategic Inv Trust PLC 9¾% Deb Stk 2017 - £89¾ ¾ 90
10¾% Deb Stk 2016 - £93¾ 4¾ 5½
11½% Deb Stk 2014 - £102¾φ 3φ
Greenfriar Investment Co PLC Warrants to sub for Ord - 390
"Investing in Success"Equities PLC Warrants to sub for Ord - 58 (21Oc87)
London & St Lawrence Investment PLC Ord 5p - 107
Merchants Trust PLC 4% Perp Deb Stk - £28 (21Oc87)
Minerals Oils&Res Shs Fund Inc $0.10 - $16.57 (16Oc87)
Monks Investment Trust PLC 11% Deb Stk 2012 - £98¾ (21Oc87)
Moorgate Investment Trust PLC Warrants to sub for Ord - 75
Multitrust PLC Warrants to sub for Ord - 32½‡
Murray International Trust PLC 3.9% Cum Prf £1 - 52¼φ
New Darien Oil Trust PLC Warrants to sub for Ord - 17 (19Oc87)
New Guernsey Securities Trust Ld Ord 25p - 100 3
New Throgmorton Trust(1983) PLC 12.6% Deb Stk 2008 - £108½φ
New Tokyo Investment Trust PLC Warrants to sub for Ord - 83 (20Oc87)
Rights and Issues Inv Trust PLC Inc 25p - 86 (21Oc87)
Scottish Eastern Inv Trust PLC 4½% Cum Prf Stk - £40 (20Oc87)
9¾% Deb Stk 2020 - £87½ 8½ (21Oc87)
Scottish Investment Trust PLC 4.55% Cum "A" Prf Stk - £65φ
Scottish Mortgage & Trust PLC 8-12% Stepped Int Deb Stk 2026 - £96¾ (20Oc87)
Scottish National Trust PLC 6% Cum Prf £1 - 54 (19Oc87)
10% Deb Stk 2011 - £92
Second Alliance Trust PLC 4½% Cum Prf Stk - £41φ
Shires Investment PLC Warrants to sub for Ord - 48
TR Australia Investment Trust PLC Wts To Subscribe for Ord - 270 (20Oc87)
TR City of London Trust PLC 6% Non-Cum 2nd Prf Stk £1 - 53 (19Oc87)
TR Industrial & General Trust PLC 10% Deb Stk 2016 - £92¾ ½
TR Pacific Basin Inv Trust PLC Wts To Subscribe for Ord - 900 (20Oc87)
TR Trustees Corp PLC 4¾% Cum Prf Stk - £40 (20Oc87)
Vantage Securities PLC Warrants to sub for Ord - 160 (19Oc87)
Witan Investment Co PLC 6¾% Deb Stk 90/95 - £77 (19Oc87)
8½% Deb Stk 2016 - £78¾φ

Unit Trusts
No. of bargains included 30

M.& G.Gold & General Fund Inc Units - 71.2 (20Oc87)
M.& G. International Income Fund Inc Units - 65.8
Accum Units - 70.6φ
M.& G. Japan Smaller Companies Fund Inc Units - 95.9φ

Mines – Miscellaneous
No. of bargains included 646

Anglo United PLC Cnv Red Prf 10p - 108 (19Oc87)
Asarco Inc Com Stk Npv - $17.713 (20Oc87)
Bisichi Tin Co PLC 10p - 73
Botswana RST Ld Pu2 - 50 68
Butte Mining PLC Ord 10p - 105 10 10 10‡ 5 8‡ 20 5 33 5 5 40 1½‡ 2
Consolidated Gold Fields PLC 7¾% Uns Ln Stk 99/2004 - £73¾φ
8¾% Uns Ln Stk 88/93 - £83¾ (20Oc87)
De Beers Consolidated Mines Ld 40% Cum Prf R5(Br) (Cpn 157) - 300 (19Oc87)
Dfd R0.05(Br) (Cpn 80) - 12¾ 13¾ 13¾ 13¾ 13¾ 14 14¾
Northchan Investments Ld R 0.10 - 10 (20Oc87)
RTZ Corporation PLC Ord 25p(Br) (Cpn 68) - £10 10.1 10.14 $ 16.28 16.4 16.58 16.7 16¾ p 980 7
Accumg Ord 25p - £10
3.5% "B" Cum Prf £1(Reg) - 43
6¾% Uns Ln Stk 85/90 - £87 (19Oc87)
Zambia Consolidated Copper Mines Ld "B" Ord K10 - $0.85 p 50 (20Oc87)

Mines – South African
No. of bargains included 58

Lebowa Platinum Mines Ld Ord R0.01 (Nil Pd-2/11/87) - £1.35 R 6.95 7 (19Oc87)
Western Deep Levels Ld Option to Sub for Ord - $55 (21Oc87)

Oil
No. of bargains included 7885

Aran Energy PLC Ord Ir£0.20 - I£1 1‡ 1.02 1.03 1.04 1.09 1.12 1.13 1.15 p 86 7 7‡ 8 8 9 9 9‡ 90 90‡ 1 1‡ 2 2‡ 3 3‡ 4 4‡ 5 5 5‡ 6 7 7 8 9 9‡ 100 100‡ 1 1‡ 2 2‡ 2‡ 3 3‡ 4 4‡ 5
BOM Hldgs PLC 3% Cnv 2nd Mtg Deb Stk 1989 - £700
British Petroleum Co PLC Warrants to purchase ADS - $9¾
9% Cum 2nd Prf £1 - 79½ (19Oc87)
Burmah Oil PLC 7¼% Cum Red Prf Stk £1 - 60
Calor Group PLC Ord 50p - 430 40 40 1.558 2 .557 3 4.655 5 50 50 3 3 60
Contibel Holdings PLC Ord 50p - 310
Great Western Resources Inc Shs of Com Stk NPV - 195
Royal Dutch Petroleum Co N.V. FL10(Reg) - $95¾ (20Oc87)
Shell Transport&Trading Co PLC Ord Shs (Br) 25p (Cpn 178) - £10.1 (20Oc87)
Texaco International Financial Corp 8% Stlg/$ Cnv Gtd Ln Stk 81/99 - £93½ (19Oc87)
Total-Compagnie Francaise Des Petroles "B" Shs FR50 - FR366.01

Property
No. of bargains included 2897

Allied London Properties PLC 5¾% Cnv Red Prf £1 (Nil Pd-26/10/87) - 0½ ¾
Arndale Property Trust Ld 6¾% Uns Ln Stk 84/89 - £90¼
Bampton Hldgs Ld 8¾% 1st Mtg Deb Stk 88/93 - £80 (20Oc87)
8¾% Uns Ln Stk 2002/07 - £73 (20Oc87)
Bilton(Percy) PLC Accum Shs 25p - 370
Bradford Property Trust PLC 10½% Cum Prf £1 - 126 (19Oc87)
Britannia Group PLC Ord 5p - 160 3 7 8 70 3 4 5
British Land Co PLC 10½% Dfd 1st Mtg Deb Stk 2019/24 - £95½ (21Oc87)
Brixton Estate PLC 9.50% 1st Mtg Deb Stk 2026 - £84¾ (19Oc87)
Capital & Counties PLC 5¾% Cnv Prf £1 - 96 8 (20Oc87)
9¾% 1stMtgDebStk 2027(£25Pd-30/11/87) - £18¾ ¾
9¾% Uns Ln Stk 91/96 - £90φ
Chesterfield Properties PLC 5.25%(Net) Cnv Cum Prf £1 - 95
Great Portland Estates PLC 9.5% 1st Mtg Deb Stk 2016 - £87¾
Green Property Co PLC Ord Ir£0.25 - 1.35
Hammerson Prop Inv&Dev Corp PLC Ord 25p - 535 55 60 80 600 500
Land Securities PLC 9% 1st Mtg Deb Stk 96/2001 - £88
10% 1st Mtg Deb Stk 2025 - £92¾
8½% Uns Ln Stk 92/97 - £84 6
London Shop Property Trust PLC 10% 1st Mtg Deb Stk 2025 - £89¾φ
MEPC PLC 5¼% 1st Mtg Deb Stk 84/89 - £87
12% 1st Mtg Deb Stk 2017 - £104¾ (19Oc87)
8% Uns Ln Stk 2000/05 - £76 (19Oc87)
6½% Cnv Uns Ln Stk 95/2000 - £137 (20Oc87)
Merlin International Properties Ld Ord 25p (Ex Rights) - 195 200 10 5 20
Cum Red Cnv Prf £1 - 100 20
Metropolitan Rly Surplus Lands Co Ld 6¾% 1st Mtg Deb Stk 86/91 - £86¾
Peachey Property Corp PLC 5% Cum Prf £1 - 42 (20Oc87)
9.5% 1st Mtg Deb Stk 2015 - £85¾φ ¾φ
Peel Hldgs PLC 10% Cum Prf 50p - 56
5.25% (Net) Cnv Cum Non-Vtg Prf £1 - 124 (21Oc87)
9¾% 1st Mtg Deb Stk 2011 - £90¼
Power Corporation PLC Ord Ir£0.10 - I£1¾ (19Oc87)
New Ord Ir£0.10 (Fp/LA-20/11/87) - I£1.18 1.2 p 93 8 103 5
Reliable Properties PLC 25p - £18 (19Oc87)
Rosehaugh Greycoat Estates PLC 11% 1st Mtg Deb Stk 2014 - £88¾
Rush & Tompkins Group PLC 7.5% Cnv Cum Red Prf £1 - 142 (19Oc87)
Scottish Metropolitan Property PLC 10¾% 1st Mtg Deb Stk 2016 - £90¾ (20Oc87)
Shaftesbury PLC New Ord £1 (Fp/LA-27/11/87) - 170 5 83 5
Town Centre Securities PLC 9% Cnv Uns Ln Stk 96/2000 - £193 (20Oc87)
United Kingdom Property Co PLC 8½% Uns Ln Stk 2000/05 - £79 (19Oc87)
Wates City of London Properties PLC Ord 25p - 180 80 5 200 5 10

Plantations
No. of bargains included 27

Beradin Hldgs PLC 5p - 50 (20Oc87)
Chillington Corporation PLC Dfd 25p - 115
9¾% Cum Red Prf £1 - 100φ
9% Cnv Uns Ln Stk 1999 - £150
Hidong Estate PLC Ord 10p - 100 (20Oc87)
Narborough Plantations PLC Ord 10p - 37
Western Dooars Tea Hldgs PLC Ord £1 - 560 (20Oc87)

Shipping
No. of bargains included 350

Peninsular & Oriental Steam Nav Co 5% Cum Pfd Stk - £44φ
Warrants to purchase Dfd Stk - 265φ 70φ
Turnbull Scott Holdings PLC Non V."A"Ord £1 - 465 (21Oc87)

Utilities
No of bargains included 113

American Information Techn. Corp Shs of Com Stk $1 - $80¾ (20Oc87)
Bristol Channel Ship Repairers PLC Ord 10p - 19 ½ 20 1 ½‡ 2 2 ½ ½‡ 3 ½ ½‡ 4 4‡ ½‡ 5 5‡ ½‡ 6 ½‡
Intercom Belge NPV(Br) (Cpn 37) - BF470 584567φ
Mersey Docks & Harbour Co Combined Units - 330 5 40 5 5 50 4‡ 5 8‡ 60 2‡ 5 70
3½% Red Deb Stk 79/89 - £74 (20Oc87)
US WEST,Inc Shs of Com Stk of NPV - $46¾ (20Oc87)

Water Works
No. of bargains included 5

Bristol Waterworks Co - £130 (19Oc87)
Cambridge Water Co 3.5%(Fmly 5%)Cons Ord Stk - £120
Colne Valley Water Co 4.55%(Fmly 6½%)Red Prf Stk 82/87 - £99 (21Oc87)
East Anglian Water Co 3.5%(Fmly 5%)Cons Ord Stk - £125 (19Oc87)
4% Perp Deb Stk(April & October) - £31
Eastbourne Waterworks Co 10½% Red Deb Stk 95/97 - £95 (19Oc87)
Essex Water Co 3.5%(Fmly 5%)Cons Ord Stk - £125 (19Oc87)
3.5%(Fmly 5%)New Ord Stk - £125 (19Oc87)
Mid-Southern Water Co 3.5%(Fmly 5%)Cons Ord Stk - £145
Newcastle & Gateshead Water Co 3.5%(Fmly 5%)Cons Prf Stk - £45 (21Oc87)
South Staffordshire Waterworks Co - £125 (19Oc87)
Sunderland & South Shields Water Co 7% Red Deb Stk 86/88 - £94¾

USM Appendix
No. of bargains included 3777

American Plastic Technologies Inc Shs of Com Stk $.001 - 65 70 70 3 6
Avesco PLC Cum Ptg Cnv Red Prf 1997 1p - 90 3
Banner Homes Group PLC New Ord 10p (Fp/LA-6/11/87) - 128 30 2
Biomechanics International PLC Ord 5p - 38
Colorgen Inc Shs of Com Stk $0.01(Restricted Transfer) - 38
Corporate Estates Properties PLC Warrants to sub for Ord - 55 60
Cramphorn PLC Ord 50p - 750 60 (20Oc87)
Dolphin Packaging PLC Ord 5p - 127 35 5 40 2
Exploura Holdings PLC Ord 5p - 34 5½‡ 6 7 9
New Ord 5p (Fp/LA-30/10/87) - 32 3 4 ½ 5 6 7 8 9
Gibbs Mew PLC Ord 25p - 245 (21Oc87)
Heavitree Brewery PLC Ord 25p - 730φ
"A" Lim Vtg Ord 25p - 685 (21Oc87)
Hornby Group PLC Ord 5p - 167 70 2
Johnson Fry PLC Ord 10p - 160 70 5 80 5 200
Marcol Group PLC Ord 5p - 107
Parkway Group PLC Ord 5p - 285 90 3 7 8 300 3 5 8
RKF Group PLC Ord 10p - 128
Randsworth Trust PLC 7% Cum Cnv Red Prf £1 - 90 7 (21Oc87)
Rivlin PLC 5.125% (Net) Cnv Cum Red Prf £1 - 86 8
Ross Consumer Electronics PLC Ord 10p - 220 (21Oc87)
Security Archives (Hldgs) PLC New Ord 20p (Fp/LA-20/11/87) - 215 20 5 30
Sigmex International PLC Ord 10p - 85
Splash Products PLC Ord 10p - 90 (19Oc87)
Stanhope Properties PLC New Ord 25p (Fp/LA-12/11/87) - 225 7 30 30 3 5 5 7 40 40 2 6 5 6 6 8 50 50 5
URS International Inc New Shs of Com Stk $0.01 (Fp/LA-9/11/87) - 73 7 8
WSP Holdings PLC Ord 5p - 77

The Third Market Appendix
No. of bargains included 136

Kamp (P.E.) Hldgs PLC Ord 5p - 75
Medirace PLC Warrants to sub for Ord - 110 (19Oc87)
Seacon Holdings PLC Ord 25p - 110

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

Acorn Secs 91φ 3φ 4φ 5φ 6φ 4 8 70 5 (20/10)
Airships Inds 23φ 4φ 20 1 2 3 4 5 6 7 8 (21/10)
Albertson's Inc $25.275φ (20/10)
Alkane Exploration 18 20 (21/10)
American Barrick Resources Corp C$19.70φ £11⅛ C$20⅝ (21/10)
Amsterdam-Rotterdam Bk Fl75.6φ Fl63½ 63.7 64½ (20/10)
Anglo-Alpha Ord 12 17½ (20/10)
Associated Manganese Mines of SA R185 (20/10)
Aust. Foundation Inv 48 (20/10)
Aust. Oil & Gas 95φ 102φ (20/10)
Banner Inds $20φ 20¼φ 20½φ 20⅝φ 20¼φ (20/10)
Beverly Enterprises $13¼φ (15/10)
Biocraft Laboratories $18⅝ (20/10)
Black Hill Minerals 10 (19/10)
British Columbia Forest Prods C$17.26φ (21/10)
Brown-Forman Inc Class B $26½φ $43¼φ 43⅞φ (15/10)
C.S.F. (Thomson-C.S.F.) Fr859.126φ 902.037φ 910.03φ 923.146φ 930φ 1010.31φ 1049.93φ Fr995 1010 1040 1105 (21/10)
Central Norseman Gold $1.62φ p104 $165 A$2.031 2.06 2.21 2.25 (21/10)
Cerebos Pacific S$8.116 8.284 (15/10)
Churchill Resources 50φ A$1.314 (21/10)
City Devs $3.85 (19/10)
Conex Aust 5 (19/10)
Daicel Chemical Industries Y857.951φ (15/10)
Development Bank of Singapore S$13.856 (20/10)
Du Pont (E.I.) De Nemours $86½ 87 (21/10)
Energy Oil & Gas $A0.345φ (20/10)
Flair Resources 9 (20/10)
Forest Laboratories $14.9φ (21/10)
Fraser & Neave S$7.0 (20/10)
Free State Cons. Gold Mines R0.50 $15½ R50½ 53½ (21/10)
General Occidentale Fr948.93 (15/10)
Geometals $A1.24φ (15/10)
Golconda Minerals 42 (21/10)
Golden Valley Mines $A0.85 (21/10)
Greenbushes Tin 60φ (19/10)
Groupe Bruxelles Lambert BFr3275.912φ (21/10)
Haoma North West 7 (21/10)
Hexcel Corp $49.0φ (20/10)
Hill 50 Gold Mines $A2¼φ (15/10)
Hooker Cpn $A2½ (20/10)
Horizon Pacific $A0.505 (19/10)
Hunter Resources $A1.49 (19/10)
Intl. Mining 5 (20/10)
Invincible Gold NL Ord A$0.30 (A$0.20) 19φ 20φ (21/10)
Jones Mining ($0.20) 100φ (20/10)
Keystone International $17¼φ (20/10)
Kreditkassen NK210 (21/10)
Kulim Malaysia Ord 42φ (16/10)
Loral Corp £38¼φ (20/10)
Matsushita Electric Industrial Y2040.455φ 2070φ 2182.93 2200 2240 2050 (21/10)
Mid-East Minerals 39 (21/10)
Mitsubishi Heavy Inds Y609φ Y665 (21/10)
National Convenience Stores $9¾φ (19/10)
National Electronics (Consolidated) 4φ (20/10)
Nationale-Nederlanden CVA (Fl2.5) Fl59.45 59.8 60½ 61.3 (21/10)
Nexus Corp C$2.0φ 2.05φ (21/10)
Niugini Mining A$14.7 (20/10)
North Flinders Mines 450φ (21/10)
Oceanic Equity Ord A$2.03 (16/10)
Oil Search 50 1 2 3 4 5 (21/10)
Oilmet Ins 29 (19/10)
Palabora Mining $11.16 11.41 (19/10)
Pan Australian Mining 220φ (15/10)
Pechiney Ugine Kuhlmann £29.13φ (21/10)
Petro Energy 4½ (21/10)
Philips Kommunikations Inds DM665.95φ (21/10)
Pine Vale Ins 27φ (15/10)
Pioneer Electronics Corp Y2510 2530 (21/10)
Planet Resources Group 2 (20/10)
Plenty River Mining Co 6 (21/10)
Poseidon 177 182 A$3.8 3.9 3.912 4.015 4.15 (21/10)
Sun Hung Kai Properties $H15.85 17.6 (19/10)
Tandem Resources 140 (21/10)
Target Petroleum 50 (21/10)
Target Petroleum ($A0.15) 25φ 15 (21/10)
Victoria Exploration 12 (20/10)
Vuitton (Louis) Fr929.237φ 930φ 932.769φ (20/10)
Wattle Industries $NZ5.15 5½ (21/10)
Westfield Minerals 155 (16/10)
Wharf Hldgs $H9.05 10.2 (19/10)
Regal Hotels (Hldgs) 25φ 27φ 32 (15/10)
Service Corp Int £14.57φ (20/10)
Sky Line Explortn. $C10½φ 11φ 11⅛φ 11½φ 11⅝φ 11¾φ (21/10)
Snap-On Tools $33.22φ (20/10)
Societe Nationale Elf Aquitaine Fr249⅛φ 250φ 47½ 48.6 Fr284 286.99 290 292 293 294 295 (21/10)
Sonora Gold Corp 485 (21/10)
Source Perrier Fr693.57 (21/10)
Square Gold Minerals 18½φ $A0.56 (15/10)

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Amal Metal Corp Dn. 5.4pcPf (£1) 30, 8 (15/10)
Anglo-Am. Agric. 70
Ann Street Brewery (£1) 730 (20/10)
Appleton (10p) 20 (21/10)
Barbican Hldgs (1p) 4½, 5, 5½, 6
Bolton House Ins (5p) 110
Carrawn (10p) 12½, 13 (21/10)
David & Charles Publishers (1p) 17 (19/10)
Douglas Gas Light (£1) 300 (20/10)
Ecclesiastical Insurance Office 8.6pcPf (£1) 25, 8 (20/10)
Flightspares (10p) £13.05 (15/10)
Greenstar Hotels (10p) 40
Guernsey Gas Light (£1) 71 (19/10)
Hard Rock Cafe (2p) 120.58 (20/10)
Kunick Leisure (10p) 48
Le Riches Stores (£1) 450 (19/10)
Letinvest 9¾-11¼pcDb 2012 £92½, 3½ (15/10)
Lincolnshire Standard 500 (19/10)
Norton Villiers Triumph (1p) 7, 8, ½, 9
Southern Newspapers (£1) 325, 40 (21/10)
Tadpole Technology (10p) 130
Wrtech (5p) 80, ½, 1 (19/10)

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Resources (Ir£0.25) 40, 1, ½, 2, 3, ½

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WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY OCTOBER 22 1987					WEDNESDAY OCTOBER 21 1987			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
Australia (90)	127.90	+4.4	114.93	118.72	3.32	122.52	109.92	113.96	180.81	99.92	91.11
Austria (16)	96.11	+1.8	86.36	90.58	2.30	94.42	84.71	88.81	102.87	85.53	96.03
Belgium (48)	113.52	−0.1	102.01	106.25	4.48	113.64	101.96	106.07	134.89	96.19	90.22
Canada (129)	106.77	−6.0	95.94	101.79	2.95	113.53	101.86	108.03	141.78	100.00	97.63
Denmark (38)	110.59	−0.2	99.37	104.58	2.83	110.83	99.43	104.73	124.83	98.18	99.75
France (122)	91.41	−2.5	82.14	86.75	3.19	93.75	84.11	88.97	121.82	90.91	93.71
West Germany (93)	87.29	−4.4	78.44	82.30	2.31	91.32	81.93	86.10	104.93	84.00	92.60
Hong Kong (46)	133.25	−0.1	119.73	133.64	3.64	133.32	119.61	133.64	158.68	96.89	88.35
Ireland (14)	120.46	−3.4	108.23	114.88	3.93	124.67	111.85	118.65	160.22	99.50	82.15
Italy (95)	86.52	−1.7	77.74	84.55	2.26	88.04	78.98	85.77	112.11	84.22	104.51
Japan (458)	136.85	+1.1	122.97	125.09	0.55	135.40	121.47	123.37	161.28	100.00	87.27
Malaysia (36)	138.08	+6.7	124.07	134.38	2.71	129.35	116.05	126.04	193.64	98.24	98.60
Mexico (14)	293.28	+9.7	263.52	520.91	0.58	267.40	239.90	474.07	422.59	99.72	80.28
Netherland (37)	99.79	−6.0	89.66	92.89	4.84	106.13	95.21	98.74	131.41	95.89	94.36
New Zealand (23)	108.40	−0.2	97.40	89.10	3.36	108.66	97.49	89.10	138.99	83.93	79.53
Norway (24)	139.97	−2.7	125.76	126.29	2.17	143.86	129.07	129.41	185.01	100.00	102.94
Singapore (27)	124.98	+17.5	112.30	120.20	2.05	106.36	95.43	102.49	174.28	99.29	100.15
South Africa (61)	162.61	+5.5	146.11	122.60	3.24	154.21	138.35	122.60	198.09	100.00	91.32
Spain (43)	148.69	+0.0	133.60	131.85	3.06	148.68	133.39	132.51	168.81	100.00	94.16
Sweden (34)	115.35	−3.2	103.65	108.99	2.10	119.14	106.89	112.48	136.64	90.85	99.23
Switzerland (53)	88.70	−7.9	79.70	82.79	2.01	96.29	86.39	89.88	111.11	88.70	92.93
United Kingdom (335)	125.41	−5.7	112.68	112.68	4.03	132.92	119.26	119.26	162.87	99.65	90.65
USA (583)	101.57	−3.9	91.26	101.57	3.65	105.66	94.80	105.66	137.42	92.83	99.58
Europe (952)	106.62	−4.5	95.80	98.32	3.39	111.62	100.14	102.85	130.02	99.78	93.46
Pacific Basin (680)	136.13	+1.2	122.31	124.76	0.75	134.49	120.66	122.92	158.77	100.00	87.45
Euro—Pacific (1632)	124.37	−0.8	111.75	114.22	1.66	125.40	112.50	114.92	143.65	100.00	89.83
North America (712)	101.85	−4.0	91.51	101.60	3.61	106.09	95.18	105.82	137.55	94.04	99.48
Europe Ex. UK (617)	94.96	−3.5	85.33	89.50	2.87	98.40	88.29	92.72	111.97	93.70	95.32
Pacific Ex. Japan (222)	127.56	+3.0	114.62	120.54	3.36	123.79	111.06	117.07	164.03	99.92	89.17
World Ex. US (1836)	124.25	−0.9	111.65	114.14	1.72	125.38	112.49	115.01	143.38	100.00	90.11
World Ex. UK (2084)	114.50	−1.5	102.88	109.44	2.19	116.25	104.29	111.01	138.82	100.00	94.11
World Ex. So. Af. (2358)	115.15	−2.0	103.47	109.58	2.37	117.49	105.41	111.64	139.47	100.00	93.81
World Ex. Japan (1961)	105.22	−3.7	94.55	101.91	3.51	109.28	98.04	105.88	134.22	100.00	96.93
The World Index (2419)	115.46	−1.9	103.74	109.71	2.37	117.73	105.62	111.76	139.73	100.00	93.80

Base values: Dec 31, 1986 = 100

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Hong Kong market suspended.

New Zealand and South African prices were unavailable for October 22. A full update of prices was unavailable for France for October 22.

Latest prices were unavailable for this edition

BASE LENDING RATES

	%		%		%
ABN Bank	10	● Charterhouse Bank	10	Nat Bk. of Kuwait	10
Adam & Company	10	Citibank NA	10	NatWestminster	10
Allied Arab Bk Ltd	10	City Merchants Bank	10	Northern Bank Ltd	10
Allied Dunbar & Co	10	Clydesdale Bank	10	Norwich Gen. Trust	10
Allied Irish Bank	10	Comm. Bk. N. East	10	PK Finans. Intl (UK)	10½
American Exp. Bk	10	Consolidated Cred	9½	Provincial Trust Ltd	11
Amro Bank	10	Co-operative Bank	*10	R. Raphael & Sons	10
Henry Ansbacher	10	Cyprus Popular Bk	10	Roxburghe G'rantee	10½
ANZ Banking Group	10	Duncan Lawrie	10	Royal Bk of Scotland	10
Associates Cap Corp	10	Equat'l Tst C'p plc	10	Royal Trust Bank	10
Authority & Co Ltd	10	Exeter Trust Ltd	10½	Smith & Williams Secs	10
Banco de Bilbao	10	Financial & Gen. Sec	10	Standard Chartered	10
Bank Hapoalim	10	First Nat. Fin. Corp	11	TSB	9½
Bank Leumi (UK)	10	First Nat. Sec. Ltd	11	UDT Mortgage Exp	¶11.1
Bank Credit & Comm	10	● Robert Fleming & Co	10	United Bk of Kuwait	9½
Bank of Cyprus	10	Robert Fraser & Ptrs	11	United Mizrahi Bank	10
Bank of Ireland	10	Girobank	10	Unity Trust PLC	9½
Bank of India	10	Grindlays Bank	10	Western Trust	10
Bank of Scotland	10	● Guinness Mahon	10	Westpac Bank Corp	10
Banque Belge Ltd	10	HFC Trust & Savings	10	Whiteaway Laidlaw	10½
Barclays Bank	10	● Hambros Bank	10	Yorkshire Bank	10
Benchmark Tst Ltd	10	Heritable & Gen. Tst	10		
Beneficial Trust Ltd	11	● Hill Samuel	§10		
Berliner Bank AG	10	C. Hoare & Co	10		
Brit Bk of Mid East	10	Hongkong & Shangh	10		
● Brown Shipley	10	Lloyds Bank	9½		
Business Mtge Tst	10	Meghraj & Sons Ltd	10		
CL Bank Nederland	10	Midland Bank	10		
Canada Permanent	10	● Morgan Grenfell	10		
Cayzer Ltd	10	Mount Credit Corp. Ltd	10		

● Members of the Accepting Houses Committee. * 7-day deposits 5%. Savewise 7.66%. Top Tier—£2,500+ at 3 months' notice 9.31%. At call when £10,000+ remains deposited. ¶ Mortgage base rate. § Demand deposit 4.98%. Mortgage 11.125%.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	5,450	165	+10	Jaguar	2,500	398	−11
Allied Lyons	7,100	341	−18	Ladbroke	1,600	365	−11
Amstrad	5,800	135	+6	Land Securities	3,700	448	−27
Argyll Group	2,600	187	+1	Legal & Gen.	1,700	263	−20
Assoc. Brit. Foods	1,700	299	−6	Lloyds Bank	2,700	293	+5
BAA	3,100	115	−3	LASMO	589	312	−3
BAT	8,050	483	−15	Lonrho	3,400	239	−12
BET	648	229	−10	Lucas	1,200	527	−0¼
BICC	812	344	−14	MEPC	850	440	—
BOC	1,700	366	−23	Marks & Spencer	10,000	212	+5
BPB Inds	1,800	260	−19	Midland Bank	4,600	403	−12
BPCC	3,400	240	−10	Natwest Bank	4,600	610	−13
BTR	5,400	263	−15	Next	2,300	288	−7
Barclays	2,100	478	−7	Pearson	1,000	760	−8
Bass	1,600	820	−10	P & O	2,100	470	−60
Beecham	4,200	402	—	Pilkington Bros	8,000	236	−24
Blue Arrow	2,800	111	−13	Plessey	6,500	167	+1
Blue Circle	1,200	344	−24	Prudential	932	790	−45
Boots	6,800	231	−9	Racal	9,800	223	−15
Brit. Airways	7,400	158	−8	Rank Org	301	550	−20
Brit. Aero	1,960	399	−15	RHM	2,100	296	−1
Brit. & Comm.	1,000	355	−50	Reckitt & Col	184	827	−25
British Gas	26,000	147	+4½	Redland	1,800	412	−35
Britoil	5,200	245	−4	Reed Intl	7,400	397	−13
BP	27,000	287	+4½	Reuters	3,200	542	−10
Brit. Telecom	11,000	227	+5	RTZ	4,850	348	−23
Bunzl	1,250	172	−14	Rolls-Royce	10,000	144	−8
Burton	4,400	233	−6	Rothmans Intl	6,700	371	−36
Cable & Wire	14,900	313	−40	Rowntree	1,000	410	−2
Cadbury Schwps	2,600	224	+6	Ryl Bank Scotland	1,500	318	−12
Coats Viyella	1,000	294	−11	Royal Insurance	1,500	413	−32
Comm. Union	3,000	356	−16	STC	3,300	243	+1
Cons. Gold	1,100	920	−105	Sainsbury	1,600	232	+3
Cookson	235	583	+19	Scott & Newcastle	1,300	215	−3
Courtaulds	1,800	388	−20	Sears	8,250	128	−4
Dee Corpn	5,700	182	+1	Sedgwick	676	220	−10
Dixons Group	4,600	270	−23	Shell Trans	2,900	£10⅞	+0⅛
English China Clays	686	430	−30	Smith & Nephew	5,200	142	−6
Fisons	2,400	280	−11	Standard Chart	894	543	−75
Gen. Accident	334	818	−22	Storehouse	8,300	308	−7
Gen. Elect	12,000	193	+6	Sun Alliance	949	895	−3
Glaxo	3,900	£11⅛	−0¼	TSB	10,000	120	−5
Globe Investment	671	148½	−0½	Tarmac	4,200	230	−12
Granada	1,800	282	+16	Tesco	2,900	164	—
Grand Met	4,300	431	−27	Thorn EMI	2,300	525	−20
GUS "A"	351	£11¼	—	Trafalgar House	1,900	322	−13
Guardian R.E.	558	855	−3	T'hose Forte	7,850	211	−17
GKN	1,000	307	−7	Ultramar	1,100	239	+12
Guinness	3,100	286	−12	Unilever	2,400	485	−8
Hammerson	347	545	−15	United Biscuits	1,900	256	+1
Hanson Trust	15,000	129	−5	Wellcome	848	377	−9
Hawker Sidd	1,400	426	−14	Whitbread "A"	1,700	283	−8
Hillsdown Hldgs	4,300	273	−9	Woolworth	4,500	312	−15
ICI	4,900	£11½	−0⅛				

RISES AND FALLS

	On Thursday			On the week*		
	Rises	Falls	Same	Rises	Falls	Same
British Funds	112	0	0	418	129	13
Corporations, Dom. and Foreign Bonds	36	5	14	114	42	191
Industrials	163	1,066	356	1,517	5,1171	1,294
Financial and Props.	87	386	157	588	2,026	536
Oils	21	59	34	130	310	130
Plantations	0	6	8	4	36	30
Mines	16	128	53	165	462	348
Others	26	187	53	328	793	209
Totals	459	1,837	675	3,264	8,915	2,679

* Until Thursday

LEADERS AND LAGGARDS

Percentage changes since December 31 1986 based on Thursday October 22 1987

Mining Finance	+39.87	500 Share Index	+13.75
Publishing and Printing	+34.07	Consumer Group	+13.70
Gold Mines Index	+33.88	Other Industrial Materials	+13.64
Property	+31.32	Health and Household Products	+13.44
Textiles	+30.22	Industrial Group	+13.08
Contracting, Construction	+29.17	Food Manufacturing	+13.04
Overseas Traders	+28.14	Insurance (Life)	+11.99
Metals and Metal Forming	+27.05	Investment Trusts	+11.68
Merchant Banks	+24.63	Motors	+11.44
Shipping and Transport	+22.47	Other Groups	+10.56
Leisure	+20.84	Electronics	+10.44
Building Materials	+18.70	Food Retailing	+ 9.48
Insurance (Composite)	+17.82	Agencies	+ 9.33
Electricals	+17.81	Stores	+ 9.06
Oils and Gas	+17.74	Brewers and Distillers	+ 8.53
Packaging and Paper	+15.75	Mechanical Engineering	+ 6.91
Capital Goods	+14.58	Conglomerates	+ 6.02
Financial Group	+14.19	Telephone Networks	+ 3.79
Chemicals	+14.17	Banks	+ 1.08
All-Share Index	+14.12	Insurance Brokers	− 8.93

BANK RETURN

BANKING DEPARTMENT	Wednesday October 21, 1987		Increase (+) or decrease (−) for week
LIABILITIES	£		£
Capital	14,553,000	—	—
Public Deposits	93,759,422	−	2,377,714
Bankers Deposits	1,035,055,055	+	31,084,663
Reserve and other Accounts	1,967,063,555	−	296,474,230
	3,110,431,032	−	267,767,281
ASSETS			
Government Securities	724,123,181	−	35,610,000
Advance and other Accounts	1,261,421,016	+	359,856,533
Premises Equipment & other Secs.	1,120,351,927	−	585,736,921
Notes	4,274,065	−	6,282,417
Coin	260,843	+	5,524
	3,110,431,032	−	267,767,281
ISSUE DEPARTMENT			
LIABILITIES	£		£
Notes in Circulation	13,205,725,935	+	16,282,417
Notes in Banking Department	4,274,065	−	6,282,417
	13,210,000,000	+	10,000,000
ASSETS			
Government Debt	11,015,100	—	
Other Government Securities	9,182,485,045	−	991,172,064
Other Securities	4,016,499,855	+	1,001,172,064
	13,210,000,000	+	10,000,000

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Bid Price	Offer Price	+ or −	Yield Gross

Abbey Unit Tst. Mngrs. (a)
80 Holdenhurst Rd, Bournemouth 0345 717373

Abtrust Management Ltd
10 Queens Terrace, Aberdeen AB9 1QJ 0224 633070

AEtna Unit Trusts Ltd(a)(b)(c)
401 St John St, London EC1V 4QE 01-837 6494

Allied Dunbar Unit Trusts PLC (a)(z)
Allied Dunbar Centre, Swindon, SN1 1EL
(0793) 28291. Dealing (0793) 610366

Anthony Wieler Unit Tst. Mgmt. Ltd
19 Widegate St, London E1 7HP 01-377 1010

Arkwright Management
1 King St, Manchester M60 3AH 061-832 0242

Asset Unit Trust Mngrs Ltd
P'r'ta Hse, Fenchurch St, London EC3 01-220 7231

Atlanta Unit Managers Ltd
Lloyds Wharf, 2 Mill St, London SE1 2BD 01-232 1415

Baillie Gifford & Co Ltd
3 Glenfinlas St, Edinburgh 031-226 6066

Baltic Trust Managers Ltd
20 Chiswell St, London EC1Y 4TY 01-374 6801

Barclays Unicorn Ltd(a)(c)(g)
Unicorn Ho. 252 Romford Rd, E7 01-534 5544

Baring Fund Managers Ltd
PO Box 156, Beckenham, Kent BR3 4XQ 01-658 9002

For Barrington Trusts see Kleinwort Barrington Ltd

Bell Court Fund Mngt PLC
11 Blomfield Street, London EC2M [illegible] 01-374 2623/4

Bishopsgate Progressive Mngt. Co
15 St James' Place, London SW1A 1NW 01-493 8111

Brewin Dolphin Unit Tst Mngrs Ltd
5 Giltspur St, London EC1A 9DE 01-248 4400

Bridge Fund Managers (a)(c)
20, Copthall Avenue, London, EC2R 7PA. 01-588 6064.
Dealing *Tues. ‡Wed. †Thur. Prices October 13/14/15.

Britannia Unit Trust Managers Ltd—see MIM Britannia Unit Trust Managers Ltd

Brown Shipley & Co Ltd (a)(g)
9-17 Perrymount Rd, Haywards Hth 0444 412262/3/4/5

Brycourt Unit Trust Mgmt Ltd(a)(c)(d)
Hesketh Hse, Portman Sq, W1H 0JR 01-935 6382

Buckmaster Management Co Ltd (a) (c)
The Stock Exchange, London EC2P 2JT 01-588 2868

Burrage Unit Trust Mngmt Ltd
117 Fenchurch St, London EC3M 5AL 01-480 7216

CCL Unit Trusts Limited
74, Shepherds Bush Green, Ldn, W12 8SD 01-740 7070

CS Fund Managers Limited
125 High Holborn, London WC1V 6PY 01-242 1148

Canada Life Unit Trust Mngrs. Ltd
2-6 High St, Potters Bar, Herts 0707 51122

Cannon Fund Managers Ltd
1 Olympic Way, Wembley, HA9 0NB
01-902 8876. Dealing: 0800 282621

Capel (James) Mngt. Ltd
PO Box 551, 6, Bevis Marks, EC3A 01-621 0011

Capital House Unit Trust Mngrs
Capital House, Festival Square, Edinburgh.
031-228 4477 Dealing 0800 833561

Cent. Bd. of Fin. of Church of England‡‡
2 Fore Street, London EC2Y 5AQ 01-588 1815

Charibond/Charishare‡‡
33 King William Street, EC4R 9AS 01-638 5678

Charities Official Invest. Fund‡‡
2 Fore Street, London EC2Y 5AQ 01-588 1815

Chase Manhattan Fund Mngrs Ltd
PO Box 16, Coleman St, London EC2 01-726 7709

Clerical Medical Unit Trust Managers Ltd
Narrow Plain, Bristol BS2 0JH (0800) 373393

Commercial Union Trust Managers
S. Helen's, 1 Undershaft, EC3P 3DQ Dealing 01-686 9818

Confederation Funds Mngt Ltd (a)
50 Chancery Lane, WC2A 1HE 01-438 4050

Cornhill Unit Trust Mngrs Ltd
PO Box 136, Beckenham, Kent BR3 4XR. 01-658 9611

For County Unit Trusts see Britannia Arrow under the heading MIM Britannia Unit Tst Managers Ltd

Crown Unit Trust Services Ltd
Crown House, Woking GU21 1XW 04862 24933

Crusader Unit Trust Managers Ltd
Reigate, Surrey, RH2 8BL 07372 42424

Dartington Unit Trust Mngt. Ltd
9 The Crescent, Plymouth PL1 3AB 0752 673873

Dimensional Trust Management Ltd
1 Albemarle St, London W1X 3HF 01-499 5733

Discretionary Unit Fund Managers
12A, Finsbury Square EC2A 1AS 01-638 4485

Drummond Fund Mangt Ltd
20, Copthall Avenue, London, EC2 R7PA. 01-588 6064.

Dunwell Unit Trust Management Limited
54 St James St, London SW1A 1JT 01-499 6383

Dunedin Unit Tst Mngrs Ltd
3 Charlotte Sq, Edinburgh EH2 4DS 031-225 4571

EBC Amro Unit Trust Mngmt Ltd
6 Devonshire Sq, London EC2M 4YE 01-621 0101.
Dealing 01-626 0181

EFM Unit Trust Managers Ltd
4 Melville Crescent, Edinburgh 031-226 3492

Eagle Star Unit Mngrs Ltd
Bath Road, Cheltenham GL53 7LQ 0242 221311

Equitable Units Administration Ltd
Walton St., Aylesbury, Bucks, HP21 7QW. 0296 431480

Equity & Law Un. Tr. M. (a) (c)
St Georges Hse, Corporation St, Coventry 0203 553231

Exeter Fund Managers Ltd.
23 Cathedral Yard, Exeter EX1 1HB 0392 412144

F & C Unit Management
1 Laurence Pountney Hill, EC4R 0BA 01-623 4680

FS Investment Managers Ltd
190 West George St, Glasgow 041-332 6462

Fidelity Investment Services Ltd
River Walk, Tonbridge TN9 1DY
Callfree Dealing Numbers:
Private Clients 0800 414161
Broker Dealings 0800 414181

Fidelity Investment Services—Contd.

Robert Fleming & Co Ltd
25 Copthall Ave, London EC2R 7DR 01-638 5858

Framlington Group (a)
3 London Wall Bldgs, EC2M 5NQ 01-628 5181

Robert Fraser Trust Mgt. Ltd
29 Albemarle St, London W1 01-493 3211

Friends Provident Unit Trusts(a)(b)(c)(z)
Castle Street, Salisbury, Wilts.
Dealing: 0722 411411. Admin: 0722 411622

Funds in Court*
26 Finsbury Sq, EC2A 1DA 01-936 6647
*Unauth. Restricted to wards under Court control

G. & A. Trust (a) (g)
4 Melville Crescent, Edinburgh. 031 226 3492

GT Unit Managers Ltd
8th Floor, 8 Devonshire Sq, London EC2M 4YJ
01-283 2575 Dealing: 01-626 9431

Gartmore Fund Managers (a) (c)(g)
2 St Mary Axe, London EC3A 8BP 01-623 1212
Dealing only: 01-623 5766/5806

Global Asset Management
GAM Sterling Management Ltd
12 St James's Place, London SW1 01-493 9990

Govett (John) Unit Mngt. Ltd
Shackleton House, 4 Battle Bridge Lane, London SE1
01-378 7979 Dealing: 01-588 [illegible]

Granville Unit Tst Mngmt Ltd
8 Lovat Lane, London EC3 8DT 01-621 1212

Gresham Unit Trust Managers
9-17 Perrymount Rd, Haywards Heath 0444 416581-2

Grofund Managers Limited
Plaisters Hall, 8/9 Austin Friars, EC2N 2AE 01-588 5317

Guardian Royal Ex. Unit Mgrs. Ltd (a)(z)
Royal Exchange, London EC3V 3LS 01-638 9903

Guild Management Limited
3, Finsbury Square, London EC2A 1RT 01-638 2433

Guinness Mahon Unit Trust Managers Ltd
PO Box 442, 32 St Mary-at-Hill, EC3 01-623 9333

Hambro General Fund Managers Ltd (g)
Admin., 5, Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

Hambros Bank Unit Trust Managers Ltd
Admin, 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

Henderson Administration (a)(b)(c)
Admin, 5 Rayleigh Road, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 261010

Hexagon Services Ltd
28 Western Rd, Romford RM1 3LB 0708 45322
*Dealing Day Wednesday

Highcliffe Unit Trust Management Limited
65, High St, Lymington, Hants. SO41 9AL 0590 71234

Hill Samuel Unit Tst. Mgrs.† (a)(z)
NLA Tower Addiscombe Road, Croydon 01-686 4355

IBI Fund Managers Ltd (a)
36 Queen St, London, EC4R 1BN 01 236 4213

Jupiter Unit Trust Mngrs. Ltd.
197 Knightsbridge, London SW7 1RB 01-581 8015

Key Fund Managers Ltd (a)(g)
35 Fountain St, Manchester M2 2AF 0303 64779

Kleinwort Barrington Ltd (z)
10 Fenchurch Street London EC3 01-623 8000
Dealers: 01-929 0776

LAS Unit Trust Managers Ltd
93 George St, Edinburgh EH2 3JL 031-225 4908

L & C Unit Trust Management Ltd
Piercy House, Copthall Ave, EC2R 7BE 01-588 2800

Laurentian Unit Tst Mngmt Ltd
16 Buckingham Gate, London SW1. 01-834 6626.

Lazard Brothers & Co Ltd
21 Moorfields, London EC2P 2HT 01-588 2721

Legal & General (Unit Tst., Mngrs.) Ltd
Admin: 5 Rayleigh Road, Hutton, Brentwood Essex
Enquiries: 0277 227300. Dealing 0277 261010

Leonine Administration Ltd
20 Copthall Ave, London EC2R 7JS 01-600 7595

Lloyds Bk. Unit Tst. Mngrs. Ltd (a)
Registrar's Dept, Goring-by-Sea, Worthing, W Sussex
0903 502541 Dealing 0634 830209

Local Authorities' Mutual Invest. Tst.*
2 Fore Street, London EC2Y 5AQ 01-588 1815
*Unauthorised. Available only to Local Authorities

London & Manchester (Tst Mngmt) Ltd
Winslade Park, Exeter EX5 1DS 0392 215347

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. Dlg 0245 266266
Advisers: 01-626 4588. Unit Dealing 0245 266266

MGM Unit Managers Ltd
MGM House, Heene Rd, Worthing
Dealing: 0277 261010. Enq: 01-623 8211

MLA Unit Trust Management
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 674751

MLS Investment Management Ltd
31 Sun Street, London EC2 M2QP 0708 45322

Manulife Management Ltd
St George's Way, Stevenage 0438 356101

Mayflower Management Co Ltd
No. 1 London Bridge, London, SE1 9QU 01-378 7000

Medical Investments Limited
4 Sandys Row, London E1 7HW. 01-247 1167/8/9

Mercury Fund Managers Ltd (c)
33 King William St, EC4R 9AS 01-280 2060

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Mercury Fund Managers—Contd.

Gilt	67.8	68.2		7.99
(Accum Units)	104.5	105.4		7.99
Global Fund	45.3	47.9		0.44
(Accum Units)	45.3	47.9		0.44
High Income Fund	47.0	48.3		5.35
(Accum Units)	49.7	51.6		5.35
High Interest Fund	43.0	45.5		9.47
(Accum Units)	44.8	46.9		9.47
Income	109.8	115.6		3.34
(Accum Units)	126.3	133.6		3.34
International	269.7	285.1		1.28
(Accum Units)	338.1	357.7		1.28
Japan	188.8	199.8		0.53
(Accum Units)	194.0	205.3		0.53
Pacific Fund				0.10
(Accum Units)				0.10
Recovery	302.3	309.1		1.39
(Accum Units)	320.1	338.7		1.39
UK Smaller Co's Fund	51.8	54.3		1.84
(Accum Units)	51.6	54.6		1.84

Merlin Fund Mngmnt Ltd
30 St James St, London SW1A 1RB 01-925 2277

Merlin Oct 14	588.5	588.09		1.41

Metropolitan Unit Trust Mngrs Ltd
3 Darkes Lane, Potters Bar EN6 1AJ 0707 45288

UK Income Fund	55.5	59.0ad	-2.7	5.08
Accum Units	56.1	59.6ad	-2.8	5.08
UK Growth Fund Acc	53.3	56.6	-2.4	1.27
Global Income Fund	45.7	48.6	-0.8	4.12
Accum Units	45.9	48.8	-0.8	4.12
Global Growth Fund	39.7	42.2	-2.9	0.99

Midland Bank Group UT Mngrs. Ltd
Courtwood House, Silver St, Head, Sheffield S1 3RD
Tel: 0742 769842

Capital	106.0	112.8	-7.9	1.37
(Accum Units)	146.5	155.5	-10.9	1.37
Commodity & Gen	159.1	168.9	-7.8	1.40
(Accum Units)	227.2	241.1	-11.2	1.40
European Growth	115.5	122.6	-3.9	1.13
(Accum Units)	138.5	147.0	-4.1	1.13
Extra High Inc	66.9	71.0	-1.9	7.82
(Accum Units)	83.2	88.1	-2.3	7.82
Gilt & Fxd. Int.	81.4	83.7		8.70
(Accum Units)	91.9	95.6		8.20
High Yield	195.3	206.9	-8.8	4.73
(Accum Units)	342.5	362.8	-13.1	4.73
Income	204.2	216.7	-12.9	3.48
(Accum Units)	346.4	367.6	-21.0	3.48
Intl High St UT	49.1	52.2	-2.7	3.25
Do. Accum	49.1	52.2	-2.7	3.25
Japan and Pacific	292.1	310.0	-4.2	0.12
(Accum Units)	306.8	325.6	-4.4	0.12
Managed Portfolio Acc	59.6	63.1	-2.2	1.44
North American	100.2	106.4		1.49
(Accum Units)	121.2	128.6		1.49
Smaller Cos.	189.0	200.6	-8.5	1.19
(Accum Units)	204.7	217.2	-9.2	1.12

MIM Britannia Unit Tst Mgrs Ltd (a)(c)(g)
74-78 Finsbury Pavement, London EC2A 1JD
01-588 2777 Dealing only: 0800 010733

UK Specialist Trusts				
Growth Gilt	62.7	63.7	+0.6	0.32
Smaller Companies	884.2	952.7	-12.4	0.28
Special Features	128.9	137.5ad	-8.3	0.22
(Accum Units)	135.6	144.6	-8.7	0.21
General Funds				
Assets & Earnings	54.5	58.1	-3.4	1.38
Accum Units	54.8	58.5	-3.6	1.37
Managed Invest Fund	55.6	59.3	-2.2	1.08
UK Growth	43.5	46.4	-3.0	0.88
High Income Funds				
Extra Income	69.9	74.5	-2.9	5.90
Gilt	25.1	26.4	+0.5	9.23
Income & Growth	262.0	280.3ad	-19.1	3.53
National High-Income	262.9	279.9ad	-17.4	4.58
Preference Shares	19.9	21.2	-0.1	8.66
Sector Specialist Funds				
Commodity Shares	181.8	193.8	-9.7	0.38
Financial Securities	47.5	50.7	-4.4	0.54
Gold	78.4	83.6	-2.1	0.00
Accum Units	81.4	87.0	-2.4	0.00
International Leisure	14.0	14.9	-0.6	0.00
Property Shares	84.9	90.5ad	-6.3	0.00
Universal Energy	53.8	57.4	-3.1	0.94
World Technology	36.6	39.0	-2.0	0.00
Exempt Funds				
Exempt	105.8	120.8	-7.4	2.99
Overseas Growth Funds				
American Growth	82.1	87.6ad	-4.1	1.38
US Smaller Companies	52.4	54.8	-2.9	0.00
(Accum Units)	51.9	55.4	-2.9	0.00
Australian Growth	84.6	90.2ad	-4.4	0.00
Europe Perf.	80.2	85.5ad	-1.3	0.45

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA. 01-588 7963

PM Equity Growth	159.6	169.6		1.88
PM Income and Growth	95.1	101.2		3.76
PM N American Growth	45.4	48.2		0.41
PM European Growth	47.6	50.6		0.47
PM Japan Growth	65.8	69.9		0.59
PM Overseas Growth	47.7	50.7		0.50

Prudential Holborn Unit Trusts Ltd(a) (b) (c)
51-59 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn Callfree 0800 010945

Holborn Comm Tst	66.2	71.1	-3.9	0.48
Holborn Equity Income	65.0	69.8	-0.2	3.67
Holborn Equity Tst	467.9	500.6ad	-30.8	2.70
Holborn European Tst	100.9	107.9	-7.6	0.77
Holborn High Inc Tst	80.8	86.8ad	+0.7	4.97
Holborn Ind Grth Tst	96.8	104.0	-4.4	0.84
Holborn Intl Sel Co	40.9	43.9	-1.4	0.08
Holborn Japanese Tst	118.8	127.1	-2.9	0.05
Holborn N. Amer Tst	64.9	70.9	-3.9	0.66
Holborn Pioneer Inc	42.2	45.1	+0.0	2.38
Holborn Sm Cos Tst	70.5	75.8	+0.4	1.53
Holborn Spec Sits Tst	82.2	88.9	-5.7	1.65
Holborn UK Growth Tst	90.4	97.1	-3.0	1.96

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen. Fd	692.8	735.2ad		2.93
Quadrant Income	353.4	376.9		5.33
Quadrant Intl. Fund	461.1	490.0		1.06
Quadrant Spec. Sits	495.4	524.3ad		1.11

Reliance Unit Mgrs. Ltd
Reliance House, Tunbridge Wells, Kent 0892 510033

British Life	198.1	210.7ad	-8.8	2.86
Reliance Unit Tst (Inc)	149.0	158.6ad	-3.8	1.46
Reliance Ut Tst (Acc)	201.7	214.5	-0.8	1.46

Rensburg Fund Managers
Silkhouse Ct., Tithebarn St., Liverpool. 051-227 2030

Internat. Growth Trust	39.0	42.3ad		—

N.M. Rothschild Fund Mgmt
St Swithin's Lane, London EC4 01-634 2903/4

NC America (Inc)	240.4	255.3	-13.0	0.90
NC America (Acc)	265.5	282.4	-13.2	0.90
NC Inc Fd	108.4	115.9	-6.1	4.04
NC Japan Fd	185.9	197.1	-11.7	0.00
NC Major UK Cos Fd	58.0	61.6	-3.2	2.21
NC Smllr Australasian	91.2	96.3	-2.7	0.69
NC Smllr Canadian Co's	43.1	45.8	-2.9	1.38
NC Smaller Cos	226.4	240.8ad	-80.2	3.19
NC Smaller European	176.0	187.2	-6.8	0.45
NC Prop.*	162.1	177.3		

*Unauthorised Unit Trusts

Royal Bank of Canada Fds.
RBC Trust Managers Limited.
1, London Wall, London EC2Y 5JL. 01-600 6222

RBC Select Gwth Acc	72.2	77.4		—
RBC Select Income	68.5	73.4		—
RBC Select Int Acc	70.1	75.4		—
RBC Select N. American	42.4	45.1		—
RBC Select Intnl	45.5	48.9		—

Royal Life Fd Mgmt Ltd
PO Box 34, Peterborough PE2 0DE. 0733 390000

Equity Trust	67.7	72.0	-1.4	2.57
International Trust	74.4	79.1	-0.4	1.24
United States Trust	30.1	32.0		1.74
Pacific Basin	51.1	54.3	-0.8	0.39
Gilt Trust	26.3	27.8	+0.6	9.65
Equity Grwth Accum	224.3	238.7	-8.7	1.44
Equity Grwth Dist	157.5	167.6	-6.2	1.44
High Inc Accum	124.5	132.5	-2.0	3.24
High Inc Dist	101.3	108.6	-1.6	3.24
US Grwth Accum	55.3	58.8		1.04
US Grwth Dist	52.1	55.4	-1.7	1.04
Ryl Life Int Div Tst	42.7	45.4	+0.5	4.26
Ryl Life Intl Grwth	38.8	41.3		0.64
Ryl Life Intl Spec Tst	38.2	40.7	-0.1	0.43

Royal London Unit Tst Mgrs Ltd
Royal Ldn Hse, Colchester CO1 1RA 0206 764400

American Growth	70.7	75.2		0.84
European Growth	90.6	97.3		0.98
Gilt Income	53.5	56.4ad		9.34
High Income	102.3	113.6		5.69
Income & Growth	185.9	196.1		4.40
Intl. Income	47.6	51.1ad		3.57
Japan Growth	105.7	112.5ad		0.05
Special Sits	158.1	175.8ad		0.81
UK Growth	53.1	56.6		1.64

FT UNIT TRUST INFORMATION SERVICE

Manufacturers Life Insurance—Contd.

Gilt Edged Inc	224.7			—
Do. Accum.	277.7			—
Guaranteed Inc	159.5			—
Do. Accum	197.2			—
International Inc	424.6			—
Do. Accum.	524.3			—
Index Lk Gilt Inc	126.3			—
Do. Accum.	156.0			—

Merchant Investors Assurance

Leon House, 233 High St, Croydon 01-686 9171

Property	325.0	+0.9	—
Property Pens.	441.5	+1.4	—
Equity	173.2	+0.0	—
Equity Pens.	750.0	+9.0	—
Money Market	296.6	+2.9	—
Money Mkt. Pens.	535.8	+5.3	—
Deposit	240.7	+0.1	—
Deposit Pens.	386.8	+0.4	—
Managed	277.7	-3.4	—
Managed Pens.	510.4	-6.3	—
Intl. Equity	303.8	-4.8	—
Do. Pens.	473.6	-7.5	—
Intl. Managed	286.3	-2.9	—
Do. Pens.	404.8	-3.5	—
North American	114.2	+3.6	—
Do. Pens.	122.4	+5.3	—
Far East	268.3	-3.5	—
Do. Pens.	378.9	-5.0	—
Intnl. Currency	168.3	-0.4	—
Do. Pens.	217.0	-0.8	—
Index Linked	117.4	+1.5	—
S & C Managed Fd	125.9	+0.9	—
S & C Pens. Mngd Fd	98.1	+1.4	—
Bell Chambers	118.2	-1.2	—
Laran & Laran	120.7	-2.2	—
Milton Mngd Fnd	158.6	+1.1	—
Trustlink Life Funds			
Per Worldwide Rec.	147.9	+2.9	—
Per Far East Growth	179.1	-11.2	—
Per Intl Growth	143.0	-3.3	—
Per Income	155.4	+5.3	—
Per Emerging Co's	139.7	-2.9	—
Per American Growth	124.4	-0.2	—
Per European Growth	120.7	-1.0	—
Fra American & Gen	100.8	+2.9	—
Fra Capital	170.9	-7.6	—
Fra Income	175.4	-10.3	—
Fra Intl Growth	117.1	+2.6	—
Fra Japan & Gen	168.9	-17.8	—
Fra Recovery	173.2	-2.2	—
Fra Convertible & Gilt	137.1	-9.3	—
Fra European	122.4	-3.1	—
GAR American	103.7	-0.1	—
GAR European	140.9	+1.7	—
GAR Far Eastern	147.0	-36.5	—
GAR British	156.2	+6.7	—
GAR Global	148.8	-5.1	—
GAR Special Situations	174.6	+1.8	—
GAR Smaller Co's	205.5	+13.7	—
GAR Australian	142.3	-12.1	—
HEN Managed	165.6	+2.5	—
HEN UK Growth	175.7	+1.5	—
HEN UK Income	180.4	+3.5	—
HEN American	115.5	+1.9	—
HEN Far East	176.9	+1.5	—
HEN European	160.9	+9.3	—
HEN Prime Res Prop	100.4	+0.0	—
TSB American	107.3	-1.8	—
TSB General	113.6	-46.2	—
TSB Managed	136.3	-12.7	—
TSB Pacific	173.2	-0.6	—
TSB Selected Opps	166.5	-0.6	—
FID American	98.3	-1.3	—
FID Japan	116.4	-0.9	—
FID European	132.1	+0.2	—
FID UK	131.6	+1.0	—
FID Pacific	129.4	-5.3	—

Norwich Union Asset Management Ltd

PO Box 124, Norwich NR1 1JS 0603 683986

NUAM Funds				
Managed Fund	50.3	53.0	+2.1	—
Stock Market Mngd Fund	49.1	51.7	-2.6	—
Equity Fund	53.5	56.4	+2.2	—
International Fund	45.3	47.7	+3.4	—
European Fund	50.5	53.2	+4.2	—
North American Fund	38.8	40.9	+4.1	—
Pacific Fund	53.7	56.6	+0.8	—
Property Fund	53.0	55.8	....	—
Fixed Interest Funds	49.4	52.1	+1.4	—
Index Linked Sec Fund	45.0	47.4	+0.5	—
Deposit Fund	51.8	54.6	....	—
NUAM Retirement Plans				
Mixed Fund	53.0	55.8	+3.3	—
UK Ordinary Share	61.3	64.6	+4.5	—
International Fund	45.6	48.0	+4.2	—
Property Fund	53.0	55.8	....	—
Fixed Interest Fund	50.4	53.1	-1.5	—
Index Linked Sec Fund	45.1	47.5	+0.2	—
Deposit Fund	53.9	56.8	....	—
NUAM (NF)				
Managed Fund	682.7	718.7	+29.0	—
Equity Fund	1388.9	1462.0	+64.9	—
Property Fund	329.7	347.1	....	—
Fixed Interest Fund	364.2	383.4	+9.9	—
Deposit Fund	211.5	222.7	....	—
International Fund	117.6	123.8	+8.9	—
Index Linked Sec Fund	45.0	47.4	+0.4	—

Norwich Union Life Insurance Soc.

PO Box 4, Norwich NR1 3NG 0603 622200

Pensionvestor & Unit-Linked Plus*				
Fixed Interest Fund	248.7	261.7	....	—
Index-Linked Sec Fund	127.0	133.6	....	—
Ordinary Share Fund	490.5	516.3	....	—
International Fund	117.5	123.8	....	—
Property Fund	164.2	172.8	....	—
Deposit Fund	168.8	177.6	....	—
Mixed Fund	310.3	326.6	....	—
Norwich Units Oct 15		1047.9		

*Prices as at June 30.

Pearl Assurance (Unit Funds) Ltd

252 High Holborn, London WC1V 7EB 01-405 8441

Prop. Dist. (Gross)(z)	158.8	167.2	(z)	—
Prop. Acc. (Gross) (z)	250.1	263.3	(z)	—
Equity (Gross) (z)	669.0	704.2	(z)	—
Managed (Gross) (z)	466.1	490.7	(z)	—
Prop. Acc. (Net) (z)	114.8	120.9	(z)	—
Equity (Net) (z)	153.9	162.0	(z)	—
Managed (Net) (z)	141.9	149.4	(z)	—
Internat'nal (net) (z)	129.2	136.0	(z)	—
Gilt & Fxd Interest	90.3	95.1	(z)	—
Money Fund	96.5	101.5	(z)	—
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1) (z)	431.8	454.6	(z)	—
Ret Man (Series 2) (z)	146.5	154.3	(z)	—
Ret Cash (z)	116.3	122.3	(z)	—

Phoenix Assurance Co Ltd

Phoenix House, Redcliff Hill, Bristol 0272 294941

Life Assurance Funds				
Wealth Assoc.	399.0	420.1	....	—
Eb'r Ph. Eq.	388.9	412.3	....	—
Pension Plan Funds				
Phoenix				
UK Equity Acc.	165.9	174.6	+5.1	—
International Acc.	144.6	152.3	-4.9	—
Property Acc.	117.5	123.6		—
Fixed Interest Acc.	143.4	150.9	+2.4	—
Money Acc.	126.1	132.7	+0.1	—
Indx. Sec. Link Acc.	129.8	136.6	+0.1	—
Special Mngd. Acc. 0	149.7	157.5	+1.5	—

Provincial Life Assurance Co Ltd

Stramongate, Kendal, Cumbria LA9 4BE

Managed Fd	531.0
Cash Fd	210.8
Property Fund	229.0
Equity Fund	606.8
Fxd. Int. Fund	274.1
International	278.1
High Income	432.7
Far East	439.0
North American	185.2
Special Sits.	595.1
Technology	252.0
Extra Inc Fd.	251.8
Convertible & Gilt Fd.	153.8
American Income	95.3
Gilt Fund 20	269.6
European Fund	96.4
Managed Pens. Acc	488.1
Deposit Pens. Acc.	208.0
Property Pens. Acc.	220.0
Fix. Int. Pens. Acc.	315.6
Equity Pens. Acc.	657.5
International Pens Acc	247.5
High Inc Pens Acc	430.8
Tech Pens Acc	161.7
N American Pens Acc	127.4
Far Eastern Pens Acc	419.4
Special Sits Pens Acc	466.7
Extra Income Pens Fd	278.7
Convertible & Gilt Pen	162.1
American Inc Pens	102.1
European Pens	101.4
Broker Funds	
KSA Managed Fund	147.4
McKenna Mngd Fund	147.2
Acorn Managed Fund	159.1
Portfolio 2000	152.3
Allied Anglo Mngd Fd	125.5
Brian Foster Mngd. Fds	129.8
Archer Managed	125.2
Barton Intnl Managed	107.8
BFP PR Inv Port	108.3
Chippendale	97.0
Du Baro Flexible In Bd.	93.7
Huxton Hill W'wide Per	99.3
Dowen Inc & Growth	94.7
Coventry Inv.	89.4
EDN Prov Inc Prtv Mngd	116.3
Berkeley St James	87.6
FSC Managed Portfolio	82.9

Skandia Life Assur.—Contd.

Famous Names	70.8	74.5	-5.4	—
Far East Income	111.7	117.5		—
Gilt & Fxd Interest	96.0	101.0	+2.1	—
Global Convertible Tst	91.0	95.7	-1.9	—
Growth & Income	104.1	109.5	-6.4	—
Japan	110.1	115.8	-1.9	—
Japan Special Sits.	119.7	126.0	....	—
Managed International	85.8	90.9	-4.1	—
Maximum Income Equity	122.2	128.6	-8.8	—
South East Asia	152.9	160.9		—
Special Sits.	137.9	145.1	-5.6	—
Managed	114.9	120.9	-3.4	—
Skandia Framlington Funds				
American and General	81.5	85.7	+1.1	—
American T'around	81.7	85.9	-3.0	—
Capital	218.9	230.4	-1.0	—
Convertible & Gilt	149.6	157.4	-0.1	—
European	116.5	122.6	+1.8	—
Extra Income	238.7	251.2	-1.8	—
Financial	84.5	88.9	-0.5	—
Income & Growth	202.5	213.1	-1.6	—
Intl. Growth	92.5	97.3	-10.3	—
Japan and General	155.8	164.0	-0.7	—
Recovery	177.8	187.1	-1.0	—
Managed	143.5	151.0	-0.8	—
Skandia Gartmore Funds				
American	77.3	81.3	-4.9	—
Hedged American	109.2	114.9	-8.3	—
Australian	106.9	112.5	-6.1	—
British	163.8	172.4	-13.6	—
Commodity Shares	103.2	108.6	-1.2	—
European	155.9	164.1	-4.5	—
Extra Income	196.1	206.4	-12.7	—
Far Eastern	178.7	188.1		—
Fixed Interest	125.8	132.4	+0.4	—
Frontier Markets	159.0	168.4	-6.0	—
Global	142.6	150.1	-9.3	—
Gold Share	100.1	105.3	-5.9	—
High Income	198.0	208.4	-11.0	—
Hong Kong	159.4	167.7	-0.1	—
Income	211.6	222.7	-14.4	—
Intl Fixed Interest	103.5	108.9	+0.5	—
Japan	139.8	147.1	-3.9	—
Oil and Energy	101.5	106.8	-3.7	—
Special Situations	176.6	185.8	-19.1	—
UK Small Co. Recovery	220.7	232.3	-18.6	—
Managed	160.2	168.6	-8.4	—
Skandia Henderson Funds				
Special Situations	172.6	181.6	+0.8	—
Recovery	172.9	182.0	+0.7	—
Best of British	89.3	93.9	-2.0	—
Capital Growth	147.9	155.6	-1.8	—
Income and Assets	161.5	169.9	-1.7	—
Income and Growth	194.2	204.4	-1.7	—
High Income	198.2	208.6	+0.1	—
Extra Income	187.7	197.5	-0.2	—
Smaller Co. Divide	199.5	209.9	+1.1	—
Preference and Gilt	134.3	141.3	-8.1	—
Gilt Trust	111.7	117.5	+0.2	—
Gold Trust	142.9	150.4	+3.7	—
Fixed Interest	103.1	108.5	-27.4	—
Financial	190.8	200.8	+3.0	—
Global Resources Tst	114.3	120.3	+1.0	—
Global Healthcare	123.5	130.0	+3.4	—
Global Inc & Growth	116.7	122.8	+1.0	—
Global Technology	93.9	98.8	+2.4	—
Best of the World Fd				—
International	129.9	136.7	+3.7	—
Australian	99.8	105.0	-3.6	—
European Income	86.8	91.3	+1.2	—
European	169.5	178.4	+3.5	—
European Sm. Cos.	163.2	171.7	+0.9	—

Target Life Assurance Co. Ltd.

Target House, Gatehouse Road, Aylesbury, Bucks

Aylesbury (0296) 394000

Managed	396.1	417.1	-21.2	—
Property	285.2	300.3		—
Fixed Int.	185.8	195.6	-0.8	—
UK Equity	639.2	672.9	-45.9	—
Int. Equity	303.6	319.6	-20.2	—
Deposit	163.6	172.2		—
Managed Property	375.5	395.3	-14.9	—
American Eagle	87.5	92.2	-4.0	—
Technology	74.3	78.3	-3.8	—
Worldwide Income	173.5	182.7	-6.0	—
Pacific				—
Australian	79.8	84.0	-6.7	—
Japan	296.4	312.1	-14.9	—
Commodity	118.3	124.6	-4.4	—
Gold	151.9	159.9	-11.9	—
Financial	211.8	222.9	-11.3	—
Income	251.5	264.8	-15.7	—
Special Situations	248.9	262.1	-17.5	—
Convertible	115.1	121.2	-8.9	—
Preference	161.4	169.9	+0.7	—
International Bond	86.2	90.8		—
European Spec. Sits.	159.3	167.7	-4.4	—
Sterling				—
Residential Property	107.4	113.1		—
Pension Funds				
Managed Pension	1258.4	1324.6	-69.2	—
Gilt Pens.	385.7	406.0		—
Property Pens.	898.7	946.0		—
Equity Pens.	894.8	941.9	-49.0	—
Index-L. Plan	128.2	135.0	+1.7	—
Depr. Pens.	280.5	295.3	+0.1	—
Leicester Retirement	206.8	217.7		—

Prices quoted are for Accumulation units

Teachers' Assurance Company Ltd

12 Christchurch Rd, B'mouth BH1 3LW 0202 291111

Managed Fund	191.0	201.1	....	—
Gilt & Fixed Int Fd	136.7	144.0	....	—
Cash Fund	130.2	137.1	....	—
Pensions Managed	91.8	96.6	....	—
Pensions Deposit	95.0	100.0	....	—

Tunbridge Wells Equitable

Abbey Court, Tunbridge Wells 0892 515353

Assurances				
Capital & Income	288.00	304.00	-37.0	—
Pride Plan Exempt		161.4	....	—
Do. Taxable		142.1	....	—
Beehive Bond Exempt		57.7	....	—
Do. Standard		55.5	....	—
Dominion Growth Exempt		96.3	....	—
Dominion Growth		71.3	....	—
Kleinwort Funds				
Life Assurance	376.5	394.3	....	—
Savings Narrow	236.7	244.0	....	—
Savings Wide	572.6	590.3	....	—
Pensions				
Managed Initial	105.2	110.7	....	—
Do. Ordinary	109.1	114.8	....	—
Deposit Initial	96.2	101.3	....	—
Do. Ordinary	100.5	105.8	....	—

For Tyndall Assurance/Pensions see Aetna Life

UK Life Assurance Co Ltd

Worthing Rd., Horsham RH12 1SL 0403 40039

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

FT UNIT TRUST INFORMATION SERVICE

Equity & Law International Fund Mgs Ltd
Victory Hse, Prospect Hill, Douglas, IoM 0624 77877

European Equity	123.4	131.3	-1.9	—
Far Eastern Equity	$2.129	2.264	+0.037	—
North American Equity	$1.079	1.147	+0.061	—
UK Equity	128.7	136.9	-0.9	—
Global Equity	91.7	97.5	+0.8	—
UK Gilt & Fixed Int	99.9	106.2	+1.0	—
Deutschemark Deposit		DM4.939		—
Dollar Deposit		$1.006		—
Sterling Deposit		102.1		—
Yen Deposit		Y494.5		—
Managed Currency	111.0	118.0	+0.5	—

Equity & Law International Life Assur Co Ltd
Victory Hse, Prospect Hill, Douglas, IoM 0624 77877

European Equity	65.2	70.1	-10.0	—
Far Eastern Equity	$1.114	1.197	-14.9	—
North American Equity	$0.573	0.616	-14.5	—
UK Equity	68.0	73.1	-14.4	—
UK Gilt & Fixed Int	55.7	59.8	+0.8	—
Dollar Deposit	$0.521	0.560	+0.1	—
Sterling Deposit	56.1	60.3	+0.8	—
Managed Currency	58.6	63.0	-0.1	—
International Managed	64.3	69.1	-10.5	—

Ermitage Management Ltd
19 Royal Square, St Helier, Jersey, CI 0534 76007

External Fund	£27.36	27.64	...	—
£ Sterling Exploitation	£16.55	16.69	...	—
Bond & Cash Fd	£11.10	11.15	...	5.00
Cash Fund	£27.25			—
F.S. Perseus	$8.74	8.83		—

Ermitage Management Cayman Ltd
PO Box 2192, Grand Cayman, BWI

GAM Ermitage Intnl.	$10.10			—
GAM Ermitage Inv Inc	$12.50			—
GAM Ermitage Ltd	$19.51			—
Ermitage Dollar Fd	$13.12			—
Hirico	$15.92	16.08		—

Eurolife Assurance Group
5-11 Mortimer St, London W1N 7RH 01-631 0778

Sterling Eurobond Fd	136.0		...	—
Intnl Eurobond Fd	133.4		...	—
Discretionary Fund	124.2		...	—

Euromobiliare Fd Mngt (Guernsey) Ltd
PO Box 105, St Peter Pt, Guernsey 0481 710607

Euromobiliare Bd Fd	$9.70	9.73	—	—

S.G. Europe Obligations SA
9 Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury House, London Wall EC2M 5TA Tel: 01-920 0776 Telex 887281

Europe-Obligations	$79.79		-0.62	1.15

European Life (Channel Islands) Ltd.
Bordage Hse., St Peter Port, Guernsey 0481 710911

Fixed Interest	103.88	104.98	+1.40	9.05
Equity	102.95	103.94	-14.34	—
Mining	102.97	103.40	-32.35	—
Managed Currency	104.39	105.44	+0.30	—
Property	103.27	104.31	+0.10	—
Precious Metals & Gen	104.47	105.53	+2.45	—

FFM Futures Fund Ltd
PO Box 1540, Hamilton, Bermuda (809-295) 7447

FFM Fund Oct 9	161.6	164.4	—	—

Far East Growth Fund
10a Boulevard Royal, Luxembourg (352) 40890

Far East Growth	134.94		—	—

Fidelity International
9 Bond St, St Helier, Jersey, CI 0534 71696
Dealers: 33201, PO Box 670, Hamilton, Bermuda
Fidelity Performance Portfolios Ltd

American Portfolio (z)	$0.76	0.80	-0.05	—
Do. Sterling Equiv.	44.00	48.00	-3.00	—
European Portfolio (z)	$1.06	1.12	-0.04	—
Do. Sterling Equiv.	65.00	68.00	-3.00	—
Japan Portfolio (z)	$1.02	1.08		—
Do. Sterling Equiv.	60.00	65.00	+1.00	—
S. E. Asia Portfolio	$0.95	1.01	+0.01	—
Do. Sterling Equiv.	56.00	61.00	.....	—
UK Portfolio (z)	$0.95	1.01	-0.03	—
Do. Sterling Equiv.	56.00	61.00	-3.00	—

Mid market sterling equivalent price shown above

Equity Funds

American Assets (z)	$90.79	94.70	-4.70	0.56
Am Val II Com (Sept 31	$76.16		—	—
Am Val II Prf (Sept 31	$102.75		—	3.00
Australia (z)	$19.21	20.17	+0.71	—
Discovery (z)	$11.59	12.17	-0.70	0.60
Far East (z)	$54.30	57.02	-0.04	0.13

Global Asset Mngt Corp—Contd.

GAM Hong Kong			—
GAM International	$189.76	-24.67	—
GAM Japan	$321.09	-57.34	—
GAM Money Mkt Fd US$	$101.67	+0.12	—
Do Sterling	£103.02	+0.18	—
Do Swiss Fr	SFr100.94	+0.06	—
Do Deutschmark	DM100.97	+0.06	—
Do Yen	Y10072	+4	—
GAM North America	$128.71	-37.80	—
GAM Pacific			—
GAM Pacific Basin Fd	$122.22		—
GAM Singapore/Malaysia	$130.48	-33.30	—
GAM Tokyo Fund Inc	$114.00	-17.99	—
GAM Tyche	$134.29	-17.39	—
GAM U.S.	$96.40	-29.89	—
GAM at Investments	$148.52	-9.05	—
GAM Whitethorn	$97.24	-10.36	—
GAM Worldwide	$912.70	-65.82	—
GSAM Composite Inc	$186.82	-5.57	—
GSAM Int $ Bnd	$111.85	-1.16	—
GSAM Int $ Special	$129.06	-12.01	—
GSAM Int SwFr	SFr105.96	-3.06	—
GSAM Int Yen	Y11792	+5	—
GSAM Int DM	DM94.27	-0.77	—
GSAM Int £ Stlng	£100.25	-0.45	—
GSAM Int FFr	FFr960.71	-8.09	—

John Govett Mngmt International Ltd
PO Box 208, St Peter Port, Guernsey, CI 0481 26268

Govett Int'l Mngt	£1.035	1.118		—
Govett High Inc Gilt	£0.446	0.479	+0.007	12.66
Govett Far East Inv	$1.012	1.082		—
Energy & Resources	$0.616	0.659	-0.042	—

Granville Management Limited
PO Box 73, St Helier, Jersey 0534 73933

Granville Inv Tst	£1.66	1.74xd	—	1.13

Next dealing day October 28

Grindlays Capel-cure Intl Mgt Co Ltd
PO Box 153, St Peter Port, Guernsey. 0481 26771
Grindlays Capel-cure Intl Fund

Sterling Low Risk	£9.30	9.53	+0.05	—
Sterling Balanced	£9.47	9.70	-0.17	—
Sterling Growth	£8.75	8.97	-0.40	—
US$ Low Risk	$9.21	9.44	-0.04	—
US$ Balanced	$9.04	9.27	-0.13	—
US$ Growth	$8.54	8.75	-0.25	—
Swiss Fr Low Risk	SFr17.14	17.55	-0.06	—
Swiss Fr Balanced	SFr17.83	18.25	-0.29	—
Swiss Fr Growth	SFr17.40	17.84	-0.53	—

Grofund Invest Managers (Guernsey) Ltd
PO Box 86, Guernsey, Channel Islands 0481-26521

Grofund International	$2.903	3.122	....	0.25
Do. £ equiv	£1.754	1.886		—

Group One Limited
6b Front Street, Hamilton HM12 Bermuda
Merrill Lynch Intl & Co c/o MLK
27 Finsbury Sq, London, EC2A 01-382 8858
Shearson Lehman Bros Intl Inc
12 Upper Grosvenor St, London, W1. 01-493 2002
Prudential-Bache Securities (UK) Inc
5 Burlington Gdns, London, W1X1LE 01-439 4191

US S&P 500 Index Ser 1	$242.24	253.91	-10.18	3.21
US GNMA Class Ser IE	$992.68	1034.04	+11.92	10.02

Guinness Flight Fund Mgrs (Guernsey) Ltd
PO Box 188, St Peter Port, Guernsey 0481 23506
GFIF Managed Currency Fund (Daily)

$Participating Shares	$33.95	34.87	...	5.5
$Accumulation Shares	$45.43	46.65	...	—

GFIF Money Funds (Daily)

Dollar	$26.850		...	6.49
Sterling	£14.879		...	8.89
Yen	Y6005.358		...	2.73
Deutschemark	DM58.215		...	2.71
Swiss franc	SFr44.301		...	2.98

Global Strategy Fund (Daily)

US$ Money Fund	$20.35		...	6.5
Sterling Money Fund	£10.22		...	8.9
Yen Money Fund	Y5039		...	3.6
DM Money Fund	DM50.45		...	3.5
Managed Currency Fund	$33.19	33.26	...	5.5
Global Fixd Int Fund	$25.88	26.02	...	6.6
Global High Inc Bd Fd	$20.99	20.54	...	10.5
US$ Fixed Int Fund	$21.88	21.96	...	7.0
Sterling Fixed Int Fd	£10.72	10.77	...	9.5
Strlng And Lkd Gilt Fd	£9.30	9.35	...	2.5
Yen Fixed Int Fund	$29.63	29.73	...	4.5
European Fxd Int Fd	$25.25	25.37	...	6.3
Global Convtbl Fund	$18.42	18.50	...	3.5
Global Equity Fund	$47.59	48.33	...	1.5
North American Fund	$21.92	22.31	...	1.0
UK Fund	£17.02	17.25	...	3.5
Japan & Pacific Fd	$53.71	54.74	...	.5
European Fund	$60.75	70.08	...	.3

LONDON SHARE SERVICE

BRITISH FUNDS

1987 High	1987 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
101¾	100⅛	Treas. 12pc 1987	100⅛xd	.....	—	—
99⅝	97⅞	Treas 7¾pc 1985-88‡‡	99⅞	+⅛	7.80	8.97
102¼	99⅞	Exch 10½pc '88	100¼xd	+⅛	10.45	9.53
101⅞	98⅞	Treas 9¾pc Cv '88	100⅛	+⅛	9.74	9.51
97⅝	93⅞	Transport 3pc '78-88	97	+⅛	3.09	7.47
101⅝	98⅛	Treas. 9½pc '88	99⅞xd	+⅛	9.50	9.47
105⅞	101⅛	Treas 11½pc 1989	102¼	+⅛	11.25	9.60
102⅛	97⅞	Treas 9½pc Cnv 1989	100xd	+⅛	9.50	9.51
94⅞	89¼	Treas 3pc 1989	93⅞xd	+⅛	3.20	7.33
104⅝	99⅞	Treas 10½pc 1989	101¼	+⅛	10.36	9.54
103⅛	98⅞	Exch.10pc 1989	100⅝	+⅛	9.93	9.53
105¼	100⅛	Exch 11pc 1989	102⅝	+⅛	10.74	9.54
95⅞	89⅞	Treas 5pc 1986-89	93⅞xd	+⅛	5.34	8.56
108⅛	99⅞	Exch 10¼pc Cv '89	102⅛xd	+⅛	10.02	8.98
111⅞	104⅞	Treas 13pc 1990‡‡	106⅞	+⅛	12.18	9.51
106½	100⅞	Exch 11pc 1990‡‡	103	+1	10.71	9.59
110⅞	103⅞	Exch. 12½pc 1990	106⅞xd	+1	11.78	9.57
91⅞	84¼	Treas. 3pc 1990	89xd	+⅛	3.37	7.82
100⅛	93⅞	Treas 8¼pc 1987-90‡‡	96⅞	+1⅛	8.51	9.57
105	97½	Treas. 10pcCv 1990	100⅞xd	+⅛	9.91	9.65
89⅞	81⅛	Exch 2½pc 1990	86⅛xd	+⅝	2.90	7.57
110⅛	102⅞	Treas 11¾pc 1991	105⅞	+1¼	11.12	9.63
95⅛	87¼	Funding 5¾pc '87-91‡‡	89⅞xd	+⅛	6.40	9.27
89⅞	80¼	Treas. 3pc 1991	85⅛xd	+⅝	3.52	7.82
110⅜	98¼	Treas 10pc Cv '91‡‡	102⅛	+1⅛	9.81	9.36
109⅜	101⅞	Exch. 11pc 1991	104⅛	+1⅛	10.54	9.63
96⅛	91⅞	Treas. 8pc 1991	94⅞	+1⅛		
116⅛	107⅛	Treas 12¾pc 1992‡‡	110⅛	+1⅛	11.55	9.67
106⅞	97⅞	Treas 10pc 1992	101⅛	+1⅛	9.89	9.65
99⅛	90⅞	Treas. 8pc 1992‡‡	94⅛	+1⅛	8.70	10.25
108⅞	99¼	Treas 10½pc Cv 1992‡‡	103xd	+1½	10.20	9.68
85⅝	79⅛	Treas. 3pc 1992	83	+1⅛	3.74	8.03
115¾	105⅞	Exch. 12¼pc '92	109⅞	+1⅞	11.21	9.77
121⅛	110⅞	Exch 13½pc 1992	114⅛	+1⅞	11.82	9.76
		Five to Fifteen Years				
107⅞	97⅞	Treas 10pc 1993‡‡	101¼xd	+1⅛	9.89	9.73
118⅞	107½	Treas 12½pc 1993‡‡	111⅞	+1¼	11.22	9.82
95⅝	82¼	Funding 6pc 1993‡‡	88	+1⅛	6.82	8.64
125⅞	113¼	Treas 13¾pc 1993‡‡	117⅞xd	+2⅛	11.72	9.89
129⅞	117½	Treas 14½pc 1994‡‡	121⅞	+2⅛	11.93	9.83
124⅞	112⅞	Exch 13½pc 1994	116⅞xd	+2⅛	11.58	9.95
107⅝	97⅞	Treas. 10pc Ln. 1994‡‡	100⅞	+1⅞	9.92	9.82
120⅞	106⅞	Exch. 12½pc 1994	112⅛	+2	11.14	9.96
103¼	92⅞	Treas 9pc 1994‡‡	96⅞xd	+1⅞	9.31	9.66
118¼	105⅞	Treas 12pc 1995	110⅞	+2⅛	10.88	9.95
84¼	76	Exch 3pc Gas 90-95	79⅞xd	+1⅞	3.65	6.45
109⅞	97¼	Exch. 10¼pc 1995	101⅞	+1⅞	10.07	9.89
123⅞	110⅞	Treas 12¾pc 1995‡‡	114⅞xd	+1⅞	11.08	9.87
130⅞	116¼	Treas. 14pc '96	121¼	+2¼	11.55	10.12
102⅞	92	Treas. 9pc 1992-96‡‡	96	+2	9.36	9.66
139⅞	123⅞	Treas 15¼pc 1996‡‡	128⅞xd	+2⅝	11.85	10.14
127⅞	113⅞	Exch 13¼pc 1996‡‡	118¼xd	+2⅛	11.20	10.00
89⅞	81¼	Redemption 3pc 1986-96	84½	+2⅛	3.52	9.44
108⅞	95⅝	Conversion 10pc 1996	100⅞xd	+2⅛	9.97	9.94
128⅞	113½	Treas 13¼pc 1997‡‡	118⅞	+2¼	11.17	10.07
111⅞	98¼	Exch 10½pc 1997	103¼	+2⅛	10.19	9.96
101⅞	88⅞	Treas 8¾pc 1997‡‡	93⅞	+1⅞	9.37	9.80
140⅞	123⅞	Exch 15pc 1997	129⅛xd	+2⅞	11.62	10.27
106⅞	93⅞	Exch. 9¾pc 1998	98½	+1⅞	9.89	9.96
88⅞	78	Treas 6¾pc 1995-98‡‡	81⅞xd	+1⅞	8.24	9.50
145⅞	128⅞	Treas. 15½pc '98‡‡	134¼	+2⅞	11.54	10.20
122⅞	107⅞	Exch. 12pc 1998	112⅞xd	+2⅞	10.64	10.05
106⅞	92⅞	Treas 9½pc 1999‡‡	98⅛	+2⅝	9.68	9.75
124⅞	109⅞	Exch. 12¼pc 1999	114⅞	+2⅝	10.67	10.03
113	98½	Treas. 10½pc 1999	103⅞xd	+2⅛	10.10	9.91
111⅞	96⅞	Conversion 10¼pc 1999	102¼xd	+2⅛	10.04	9.93
100¼	86⅞	Tr 8½pc Ln.2000‡‡	91⅞	.....	8.84	9.01
103⅞	89½	Conversion 9pc 2000‡‡	94⅞	+2⅛	9.49	9.72
131¼	114⅝	Treas. 13pc 2000	120⅞	+2⅞	10.79	10.09
110⅞	95⅞	Treas 10pc 2001	101⅛	+2⅛	9.90	9.84
134⅞	118⅞	Treas. 14pc '98-01	124¼xd	+2⅞	11.28	10.21
108⅞	93⅞	Conversion 9¾pc 2001	99⅞	+2⅛	9.80	9.80
122⅝	107	Exch. 12pc '99-02	112⅞	+2⅞	10.65	10.06
110⅞	96	Conversion 10pc 2002	101⅞xd	+2⅞	9.81	9.24
109	94⅞	Treas 9¾pc 2002	100⅛	+2½	9.76	9.75
		Over Fifteen Years				
103	89	Exch. 9pc 2002	94⅞xd	+2⅛	9.48	9.63
136⅞	119⅞	Treas. 13¾pc 2000-03	125¼	+2⅞	10.96	10.13
111⅞	96⅝	Treas 10pc 2003	102⅛	+2⅞	9.74	9.66
121⅞	105⅞	Treas. 11½pc 2001-04	111⅞	+2⅞	10.31	9.98
111⅞	96⅞	Treas. 10pc 2004	102⅞xd	+2⅛	9.72	9.64
59⅞	51¼	Funding 3½pc '99-04	55⅞	+1⅞	6.21	8.40
107⅞	92⅞	Conversion 9½pc 2004	98⅞xd	+2⅛	9.58	9.60
107⅞	92⅞	Conversion 9½pc 2005	99xd	+2⅛	9.57	9.57
116⅞	101⅛	Exch.10½pc 2005	107¼	+2⅞	9.75	9.58
132⅞	115	Treas. 12½pc 2003-05	122⅛xd	+2⅞	10.20	9.69
94⅞	81¼	Treas. 8pc 2002-06‡‡	86⅞	+2⅛	9.19	9.47
110⅞	95	Conversion 9¾pc 2006	101⅞xd	+2⅝	9.61	9.57
126¼	108⅞	Treas. 11¾pc 2003-07	116⅛	+2⅞	10.12	9.690
99⅞	85⅞	Treas 8½pc 2007‡‡	91⅞	+2⅛	9.26	9.41
142⅞	123⅞	Treas. 13½pc '04-08	130⅞	+2⅝	10.31	9.68
104⅞	89⅞	Treas. 9pc 2008‡‡	96⅛	+2⅞	9.31	9.35
57⅞	50¼	Tr. 9pc Ln 2008 'A'(part-p	56½	+2⅞	9.30	9.34
94⅞	81⅛	Treas 8pc 2009	87⅛	+2⅞	9.16	9.36
101⅞	89⅞	Conv 9pc Ln 2011	96⅛	+2⅞		
69¼	59⅞	Treas. 5½pc 2008-12‡‡	64⅞	+1⅞	8.52	9.11
91⅞	79⅛	Treas. 7¾pc 2012-15‡‡	84⅛	+1⅞	9.18	9.32
134⅞	116⅛	Exch. 12pc '13-'17	123⅞	+2⅞	9.71	9.52

BRITISH FUNDS—Contd

1987 High	1987 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		Undated				
45¾	39⅞	Consols 4pc	41⅞	+⅞	9.47	—
40⅝	34⅞	War Loan 3½pc‡‡	36⅞	+⅞	9.33	—
51⅛	46⅛	Conv. 3½pc '61 Aft.	48⅞xd	+⅞	7.15	—
34⅛	29⅞	Treas. 3pc '66 Aft.	30⅞xd	+⅛	9.82	—
28¾	24⅞	Consols 2½pc	26⅛xd	+⅛	9.63	—
28¾	24⅞	Treas. 2½pc	26⅛xd	+⅛	9.60	—

Index-Linked

1987 High	1987 Low	Stock	(b)	Price £	+ or –	(1)	(2)
132¾	125½	Treas. 2pc '88	(297.1)	132¾xd	+⅛	—	—
117¼	108⅞	Do. 2pc '90	(333.9)	114⅞	+⅞	2.10	3.04
99⅛	93½	Do. 2pc '92‡‡	(385.8)	95⅞	+⅞	2.84	3.44
128⅛	119⅛	Do. 2pc '96	(267.9)	121⅛	+⅞	4.02	4.39
111¼	96½	Do 2½pc '01	(308.8)	101⅞	+⅝	4.41	4.52
110	94½	Do. 2½pc '03	(310.7)	98⅛xd	+2⅛	4.42	4.51
113⅛	94⅞	Do. 2pc '06	(274.1)	98⅛	+1⅛	4.32	4.48
108	89⅞	Do. 2½pc '09	(310.7)	92⅞xd	+1⅞	4.28	4.42
113⅞	93⅛	Do. 2½pc '11	(294.1)	96⅞	+1⅞	4.25	4.36
95⅛	76⅞	Do. 2½pc '13	(351.9)	80⅛	+1⅞	4.22	4.31
103⅛	83½	Do. 2½pc '16	(322.0)	86⅞	+1¼	4.14	4.24
101⅛	81½	Do. 2½pc '20	(327.3)	85⅛xd	+1⅞	4.07	4.12
86⅛	68⅛	Do. 2½pc '24‡‡	(385.3)	72⅛	+1⅞	4.01	4.03

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for February 1987: 100.4 and for September 1987, 102.4 (rebased at 100 January 1987 conversion factor 3.945).

INT. BANK AND O'SEAS GOVT STERLING ISSUES

1987 High	1987 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
113⅝	97¼	African Dv Bk 11¼Ln 2010	104½	+2⅛	10.66	10.57
104⅝	93	Asian Dev Bk 10¼pcLn2009	99⅞	+2¼	10.29	10.29
136	117¼	Australia 13½pc 2010	125¼	+2⅞	10.78	10.52
118⅛	100⅛	Do. 11¼pcLn2015	108	+2⅝	10.53	10.46
115⅝	99⅞	Euro Inv Bk 11pc Ln 2002	106½	+2¼	10.36	10.15
110¼	94⅞	Do. 10½pc2004	101⅝	+2¼	10.21	10.16
126½	109⅞	Int-Am Dev Bk 12½pc 2003	116¼xd	+2⅞	10.71	10.28
104⅝	88⅝	Do. 9½pcLn 2015	94⅞	+2¼	10.28	10.30
97¼	83	Malysia 10¼pcLn 2009	92½xd	+2	11.61	11.66
115	98¼	NZ 11¼pc 2008	106xd	+2⅛	10.61	10.52
123¼	100⅞	Do 11½pc 2014	108½	+2¼	10.61	10.53
126¼	100⅛	Sweden 13½pc Ln 2010	125½	+2⅞	10.76	10.48
102	96½	Utd. Mexican States 16½pc	102xd	+⅝	16.18	13.77

CORPORATION LOANS

1987 High	1987 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
109⅝	103	Birmingham 13½pc 1989	104¼xd	+¼	12.97	11.21
119	100½	Do. 11½pc 2012	107¼xd	+2⅝	10.71	10.64
95¼	82½	GLC 6¾pc 1990-92	86½xd	−1	7.80	11.00
132½	115	Leeds 13½pc 2006	117¼	..	11.51	13.94
32	22	Liverpool 3½pc Irred.	28xd	+1	12.50	—
96	85	LCC 6¾pc '88-90	87½	−2	7.71	11.70
31½	21	Do. 3pc '20 Aft.	25xd	.....	12.00	—
115	103½	Manchester 11½pc 2007	104xd	.....	11.06	11.00

COMMONWEALTH & AFRICAN LOANS

1987 High	1987 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
92¼	81¼	NZ 7¼pc 1988-92	87	+1	8.33	10.70
205	165	S Rhod 2½pc Non-Asstd	205	+2	—	—
78	65	Do. 4½pc 87-92 Asstd.	77	+2	—	—
860	70	Zimbabwe Ann (£100pa)	86xd	+2	—	—

LOANS

1987 High	1987 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		Building Societies				
101¼	100	N'wide Ang 11¼pc 26.10.87	100xd	.....	11.75	11.81
101½	100	Do. 11½pc 23.11.87	100⅛	..	11.50	10.10
101⅞	100	Do. 11⅝pc 21.12.87	100⅛	+⅛	11.54	9.81
101¼	100⅛	Do. 11¼pc 18.1.88	100⅛	+⅛	11.11	9.91
101½	99	Do. 10⅞pc 15.2.88	100⅛xd	+⅛	10.80	9.91
101⅛	99⅞	Do 10½pc 7.3.88	100⅛	+⅛	10.48	9.85
101⅛	99½	Do. 9⅞pc 11.4.88	100	+⅛	9.94	9.85
102	98	Do. 9⅝pc 3.5.88	99⅞xd	+⅛	9.70	9.85
101	98½	Do. 8⅞pc 23.5.88	99½xd	+⅛	8.92	9.87
100⅛	98⅛	Do. 8⅞pc 20.6.88	99⅞	+⅛	9.00	9.89
100⅛	98⅞	Do. 9⅝pc 11.7.88	99¼	+⅛	9.65	9.87
100	99	Do. 10pc 1.8.88	100	+⅛	10.00	9.88
100¼	99¼	Do 10⅝pc 22.8.88	100⅛	+⅛	10.52	9.88
102¼	84	Do. 3⅞pcIL Ln 2021	86½	+2	4.76	4.91
		Public Board and Ind.				
92½	84	Agric. Mt. 5pc '59-89	89	.....	5.62	10.80
48	38½	Met. Wtr. 3pc 'B'	43xd	.....	6.98	10.20
		Financial				
103½	97½	Inv in Ind 11pc UnLn '88	98½	−½	11.11	11.70
107	99	Do. 11¾pc Uns.Ln. '90	99	.....	11.87	12.00
98½	83½	Do 7¼pcAD89-92	84½	−½	8.58	11.30
113⅝	103	Do. 12½pc Un. Ln. 1992	104	.....	12.02	11.20
98⅛	81½	Do. 7¼pcA '91-94	85	.....	8.53	8.10
101½	89½	Do. 9pcA '91-94	94	−⅛	9.57	10.10
100	85½	Do. 8⅞pcLn '92-97	89	−⅛	9.97	8.40

FOREIGN BONDS & RAILS

1987 High	1987 Low	Stock	Price £	+ or –	Div % Gross	Red. Yield
53	42	Greek 7pc Ass.	43		3.50	9.14
52	40	Do. 6pc 28 Stb. Ass.	52xd	..	3	15.77
50	45	Do 4pc Mixed Ass.	50xd		2	14.23
66	59	Hung. '24 Ass.	62½		2.75	14.40
146¼	122⅞	Hydro Quebec 15pc 2011	135⅛	+3⅛	15.00	10.80
136¼	115½	Iceland 14½pc Ln 2016	125⅞xd	+2⅞	14.50	11.38
103½	94	Ireland 9¾pc '91-96	97¼xd	+1	9.75	11.32

AMERICANS

1987 High	1987 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
42	24⅞	Abbott Laboratories$1	27⅞	−1½	$1.00	—	2.2
40⅝	21½	Alcoa $1	21⅞	−1⅞	$1.20	—	3.4
18⅞	787p	♥Allegheny & W $0.01	799p	−48	30c	—	2.3
19⅞	8½	Amax $1	10⅞	−1⅛	—	—	—
30⅝	17¼	Amdahl 5c	18¼	−1⅞	22c	—	0.7
35⅞	19½	Amer. Cyanamid $5	22½	−1⅞	$1.05	—	2.8
25⅛	12⅞	Amer. Express $0.60	15⅞xd	−1⅞	76c	—	2.9
12⅞	704p	Amer. Medical Int. $1	784p	−34	♦72c	—	5.6
22⅞	14¼	American T & T. $1	17½	−½	$1.20	—	4.2
65½	43½	Ameritech $1	52½	−1½	h$4.72	—	5.5
24⅝	15⅛	Amfac$1	17¼	+1	—	—	—
25	16	Anheuser-Busch $1	18¼xd	−1¼	$2.00	—	6.7
98p	40p	♥AncTech$1	40p	−18	—	—	—
10⅝	4½	BankAmerica $1⅛	5½	−⅝	—	—	—
34⅞	18⅛	Bankers N.Y. $10	20⅝	−⅞	$1.66	—	4.9
652p	277p	BASIX Corp	302p	−1	12c	—	2.4
49½	36⅛	Bell Atlantic $1	44	−⅛	$3.84	—	5.4
27	18	BellSouth Corp	23½	−⅛	$2.04	—	5.4
11⅛	4⅛	♥Bethlehem Steel $8	6⅞	−1⅞	—	—	—
20⅛	863p	Bio-Rad Labs. Inc. 'A'	10½	...	—	—	—
27⅞	16⅛	Bowater Inc.	16⅛	−1⅞	80c	—	3.0
21⅞	12⅞	Browning-Ferris Ind 16⅔c	14⅞xd	−1	h40c	—	1.7
18⅝	8¼	Brunswick $0.75	10⅛xd	−1	30c	—	1.7
36¼	19⅝	CPC Intnl 25c	23xd	−⅛	h$1.24	—	3.3
25¼	16¼	CSX Corp U.S.$1.00	16¼	−1	$1.16	—	4.4
25⅝	14¼	CalFed Inc $1.00	14⅛	−1	60c	—	2.6
43⅞	30⅝	Campbell Soup 30c	34½	+⅛	$1.44	—	2.6
45⅛	27⅛	Caterpillar Inc $1.00	30⅛xd	−1⅛	50c	—	1.0
28⅛	16⅞	Chase Manhattan $12.5	18⅞	−⅛	$2.16	—	7.2
32⅝	15⅞	Chemical New York	17		$2.72	—	9.9
29⅛	16⅛	Chrysler $6¼	16⅛xd	−2	♦$1.00	—	3.8
43⅝	11⅝	Citicorp $4	25¼	−2⅛	$2.46	—	6.0
886p	309p	CityFed Fin Corp.	309p	−31	4c	—	0.8
33	21⅛	Colgate-Palmolive $1	24⅛xd	−⅛	$1.48	—	3.7
10⅛	575p	Colt Inds. $1	600p	−25	—	—	—
25⅞	15⅞	Cons Freightways $0.625	16⅞	−⅛	82c	—	3.0
398p	217p	Contl Illinois Corp $1	241p	−7	—	—	—
53½	14½p	Cont Illinois Hldgs $1	15¼p	.	8c	—	32.4
266p	98p	♥Corporate Data Servs	158p	+3	—	—	—
831p	430p	Cullinet Sftwr $0.1	430p	−93	—	—	—
45p	15p	Damson Oil 40c	19p	+4	—	—	—
33⅞	21⅛	Dana Corp. $1	22⅞	−⅛	$1.44	—	3.9
25⅝	12⅞	Data General	12⅞	−⅞	—	—	—
140p	100p	♥Derma-Lock Medical	100p	−10	—	—	—
44⅛	29¼	Dun & Bradstreet $1	29¼	−2¼	$1.28	—	2.6
66⅞	37¼	Eaton Corpn. 50c	39⅝xd	−1¼	$2.00	—	3.2
22¼	15⅞	FPL Group $0.01	17⅞	−⅛	$2.12	—	7.3
22⅞	12	First Chicago $5	13⅛	−⅛	$1.50	—	7.0
69⅞	40⅞	Ford Motor $2	44	−2¼	$3.00	—	4.2
31¼	23¼	GATX 62½c	23⅝xd	−1⅞	$1.50	—	3.9
40⅞	25⅛	Gen Elect. $0.63	28⅞	−1⅞	$1.32	—	2.8
10⅝	484p	♥General Host Corp $1	519p	−118	22c	—	2.6
27⅞	14⅛	Gillette $1	15⅝xd	−1⅛	76c	—	2.8
15⅝	719p	Gt Am First Svgs Bk $1	724pxd	−123	♦26.7c	—	2.3
28⅛	14⅛	Greyhound $1.50	16⅛	−⅛	$1.20	—	4.8
16¼	741p	Hasbro Inc $0.50	799p	−122	9c	—	0.7
15⅛	7¼	Home Group $1	8¼	−⅛	20c	—	1.4
56⅞	35	Honeywell $1.50	37⅝	−⅛	$2.10	—	3.4
31¼	15⅞	Hospital Corp Am $1	16⅞xd	−1⅛	72c	—	2.6
29⅝	16½	Houston Inds $	18⅛	−⅛	$2.88	—	9.5
110	62	IBM Corpn $1.25	72⅝xd	−1⅛	$4.40	—	3.7
25¼	16¼	IC Industries	18⅛xd	−⅛	86c	—	2.9
41⅞	27⅞	ITT Corpn $1	31⅞	−1⅞	$1.00	—	2.0
253p	85p	♥Imatec Storage & Sys $	153p	−22	—	—	—
28¼	15⅝	Ingersoll-Rand $2	18⅝xd	+⅛	$1.04	—	3.5
16⅛	10⅛	Insilco $1	11	−2⅛	$1.00	—	5.6
12⅝	7⅛	IU Intnl. $1.15	8⅝	−1⅛	60c	—	4.4
36⅝	21	Lockheed Crpn $1	23⅝xd	−1½	$1.40	—	3.6
25⅞	13⅞	Lone Star Inds $1	15¼	−⅛	$1.90	—	7.6
27⅞	19⅛	Louisiana Land $0.15	19⅞	−1	$1.00	—	3.2
21	10⅞	Lowe's 50c	11⅛xd	−⅛	44c	—	2.4
32¼	16¼	Manuf. Hanover $7½	18¼xd	−⅞	$3.28	—	10.7
30¼	14⅛	Merrill Lynch $1	16⅝xd	−1¼	$1.00	—	3.7
35⅝	22⅛	Molex Inc	22⅛	−1⅛	2c	—	—
33⅛	16⅝	Morgan (JP) $2.5	23⅞xd	−⅛	$1.36	—	3.5
48	36⅛	NYNEX $1	42¼	−1⅛	h$3.48	—	5.1
28	17⅛	PHH	18⅛	−⅛	$1.08	—	3.6
25½	17⅛	Pacificorp $3.25	19½	+⅛	$2.52	—	7.9
20⅝	13⅛	Pacific Telesis $0.10	18⅛	−2⅛	h$1.64	—	5.5
26⅞	14⅞	Pall Corp 25c	14⅞xd	−2⅛	34c	—	1.4
56⅞	29⅛	Pennzoil 83c	30⅞	−⅛	$2.20	—	4.4
30⅛	18⅝	Pillsbury	21⅛	−⅛	$1.12	—	3.2
31	18⅛	Primerica $1.00	19⅝	−⅛	$1.60	—	5.0
36⅞	23⅛	Quaker Oats $5	26⅛xd	−⅛	h80c	—	1.9
43⅝	26	RJR Nabisco Inc.	30⅛	−4⅛	$1.60	—	3.2

Continued on next page

Oppenheimer Money Management Ltd
66 Cannon St, EC4N 6AE. 01-236 1425

Call Fnd	9.50	7.16	9.97	6-Mth
7-day Fund	9.17	6.90	9.67	6-Mth
Dollar	5.56	4.19	5.84	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
ANZ Finance High Interest Cheque Acc Minerva Hse, Montague Cl, London, SE1 01-378 2576				
£250-£2,500	8.00	6.02	8.43	Qtr
£2,500+	10.00	7.53	10.60	Qtr
Adam & Co. plc 22 Charlotte Sq, Edinburgh EH2 4DF 031-225 8484				
Full Service Cur Acc.	9.00	6.75	9.48	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	9.25	6.96	9.78	Qtr
MiniInCha £1000-£5000	9.00	6.77	9.57	Mth
Min. Int. Chq. £5,000+	9.25	6.96	9.84	Mth
AAB—Allied Arab Bank Ltd 97-101 Cannon St, London, EC4N 5AD 01-629 6802				
HICA, HICMA	9.75	7.34	10.40	Mth
Bank of Ireland 36 Queen St, EC4R 1SN. 01-329 4500				
High Int Cheq A/c	9.30	7.00	9.84	Qtr
£10,000 +	9.97	7.50	10.57	Qtr
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-601 6746				
Money Mkt Cheque Acc.	9.10	6.84	9.48	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	8.875	6.625	9.30	Qtr
Benchmark Trust Ltd Premier Account 9 Henrietta Place, W1M 9AG. 01-631 3313				
£5,000-£10,000	9.00	6.77	9.43	6-mth
£10,001-£20,000	9.75	7.34	10.23	6-mth
£20,000+	10.00	7.53	10.50	6-mth
Brown Shipley & Co Ltd Founders Court, Lothbury, London EC2. 01-606 9833				
Demand Acc	9.25	6.96	9.79	Qtr.
Charterhouse Bank Limited 1 Paternoster Row, EC4M 7DH. 01-248 4000				
Sterling	9.13	6.87	9.71	Mth
U.S. Dollar	6.75	5.08	7.12	Mth
German Marks	3.38	2.54	3.52	Mth
Swiss francs	3.00	2.26	3.13	Mth
Japanese Yen	3.00	2.26	3.13	Mth
Citibank Savings St Martins Hse, Hammersmith Grove W6 01-741 4941 Money Market Plus				
£1,000-£24,999	8.75	6.50	9.17	Mth
£25,000	9.25	7.00	9.90	Mth
Co-operative Bank Cheque & Save 78-80 Cornhill EC3 01-626 6543				
£500-£2,500	6.31	4.75	6.62	Qtr
£2,500 +	8.31	6.26	8.77	Qtr
Dartington & Co Ltd 9 The Crescent, Plymouth PL1 3AB 0752 673873				
Money Mkt Acc	9.00	6.77	9.51	Qtr
Girobank plc High Interest Savings 10 Milk St., London EC2V 8JH 01 600 6020				
£1,000-£3,999	7.0	6.0	8.41	Qtr
£4,000-£9,999	8.0	6.7	9.41	Qtr
£10,000 +	9.25	7.0	9.69	Qtr
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-601 6746				
Money Mkt. Cheque Acc.	9.10	6.84	9.48	Mth
Legal & General (Money Mngrs) Ltd 355 Euston Road, NW1 3AG 01-388 3211				
High Int Chq Acc	9.05	6.81	9.49	6-mth
Lloyds Bank High Interest Cheque Account 71 Lombard St, London EC3P 3BS 01-407 1000				
£1,000+	7.50	6.00	8.45	Mth
£5,000+	8.00	6.30	8.88	Mth
£10,000+	8.50	6.70	9.47	Mth
£50,000+	9.00	7.00	9.90	Mth
M & G/Kleinwort Benson M & G Hse., Victoria Rd., Chelmsford 0245 266266				
H.I.C.A. (£2,500+)	8.875	6.68	9.43	Daily
Midland Bank plc PO Box 2, Sheffield. 0742 528655				
High Int Chq Acc	8.31	6.25	8.76	Qtr
£10,000 +	8.77	6.60	9.27	Qtr
M.I.M. Britannia Ltd 74-78 Finsbury Pavement, EC2A 1JD 01-588 2777				
Cater Allen	9.00	6.77	9.5708	Mth
NatWest Special Reserve Account 41 Lothbury, London, EC2P 2BP 01-726 1000				
£2,000 to £9,999	9.00	6.875	9.42	Qtr
£10,000 and above	9.125	7.00	9.59	Qtr
Oppenheimer Money Mgmnt Ltd 66 Cannon St, EC4N 6AE 01-236 1425				
Money Mngt Acc	9.38	7.06	9.89	3-Mth
Phillips & Drew Trust Ltd 120 Moorgate, London EC2M 6XP 01-628 9771				
High Int Chq Acc.	9.5000	7.15	10.06	Qtr
Provincial Trust 30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
H I C.A. (£1 000+)	9.750	7.34	10.40	Mth
Royal Bank of Scotland plc 42 St Andrew Sq, Edinburgh EH2 2YE. 031-557 0201				
Premium Account	9.00	6.77	9.52	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 766966				
H.I.B.A.	9.04	6.80	9.44	Daily
Tyndall & Co Ltd 29-33 Princess Victoria St, Bristol 0272 732241				
Demand Acc	9.31	7.00	9.85	Qtr
Money Acc	9.13	6.87	9.66	Qtr
Client Pins Acc.	9.12	6.86	9.64	Qtr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc	9.25	6.96	9.85	Mthly
£10,000 and above	9.50	7.15	10.12	Mthly
Western Trust & Savings Limited The Moneycentre, Plymouth PL1 5SE 0752 224141				
High Int Chq Acc	9.560	7.19	10.12	Qtr
Wimbledon & South West Finance Co Ltd 114 Newgate St, London EC1A 7AE. 01-606 9485				
High Int Cheque Acc	10.00	7.53	10.61	Qtr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

UNIT TRUST NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd ex dividend.

LONDON SHARE SERVICE

AMERICANS—Continued

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
39	25½	Rep NY Corpn $5	25½	–1⅛	$1.16	—	2.8
18¼	8⅝	Rockwell Intl. $1	11⅞	–⅞	66c	—	3.5
30⅛	16¼	Sara Lee $1	22½xd	–1⅞	$1.00	—	2.8
11⅞	8⅞	Saul (B. F.) $1	10⅞	–⅛	20c	—	1.1
27½	2¼	Southwestern Bell $1	23½	–2⅛	‡$2.32	—	6.1
22⅛	13⅝	Staley Continental	13⅞	–1	80c	—	3.5
44⅞	21⅝	Sun Co. Inc. $1	31⅞	+2⅛	$3.00	—	5.9
42¼	24	TRW Inc. $0.625	26⅞	–2⅛	h$1.60	—	3.7
37⅛	24⅞	Tenneco $5	25	–2¼	$3.04	—	7.5
220	149½	Do 10pcLn.Stk. 91-5	220xd	....	10%	—	f4.7
29⅞	17⅞	Texaco $6.25	19½xd	–1½	$3.00	—	9.5
74⅞	47⅞	Time Inc. $1	49⅞xd	–4⅞	$1.00	—	1.2
20⅞	11	Tracor $0.33	19⅝xd	–1⅛	40c	—	1.3
30⅞	15⅞	Transamerica $1	18⅞xd	–⅜	$1.84	—	6.1
14⅞	1⅛	Transworld Corp $5	912p	–138	20c	—	1.3
27⅛	12⅞	TRINOVA Corp.	15⅛	–1⅛	h$1.00	—	4.1
24⅞	12⅞	♥USX $1	16⅞	–1⅞	$1.20	—	4.4
19⅞	12⅞	Union Carbide $1	13	–1⅛	$1.50	—	7.1
37⅞	22¼	Utd. Technologies	22¼xd	–1⅞	$1.40	—	3.9
38⅞	26⅛	US West‖	31⅛	–3⅞	$3.28	—	6.4
30½	17⅛	Waste Management $1	22¼	–1	—	—	—
£31⅛	£14¼	Whirlpool $1.0	£14⅛	–2½	—	—	—
37⅛	20⅛	♥Woolworth $3½	20⅞	–⅞	$1.32	—	3.9

CANADIANS

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
691p	310p	ABM Gold Corp‖	310p	–48	—	—	—
26¼p	10p	♥Abbot Energy Corp.	26¼p	..	—	—	—
18⅛	506p	♥Amer. Barrick Res.	10⅝xd	–⅛	—	—	—
136p	32p	Amer Dalecо	34½p	....	—	—	—
141p	13p	American Lightwave	13¼p	–2½	—	—	—
122p	52p	♥Armeno	55p	+2	—	—	—
117	44	Augmitto Expln	59½p	–10	—	—	—
19⅞	12⅛	Bk. Montreal‖	12⅛	–⅛	$2.00	—	7.4
10⅞	598p	Bk Nova Scot.‖	621p	+2	72c	—	5.3
20⅞	15⅞	BCE‖	17⅛	–⅛	$2.40	—	6.4
10⅛	644p	♥Bow Valley‖	678p	+31	♦40c	—	2.7
20	12⅞	♥Brascan‖	13⅛	–1⅛	88c	—	2.9
609p	235p	♥Breakwater Res.	264p	+27	—	—	—
11⅝	777p	Can. Imp. Bk. $2	799pxd	–21	$1.08	—	6.2
14	865p	Can. Pacific‖	966p	–84	60c	—	2.9
42½	37½	Do 4pc Deb £100	41½	...	4%	—	9.6
827p	425p	Central Capital 'A'‖	453p	–9	—	—	—
152p	31½p	Danbus Res.	31½p	–24	—	—	—
780p	516p	Derlan Inds.	516p	–9	11.75c	—	1.0
18	756p	♥Echo Bay Mines	13¼	.....	20c	—	0.7
591p		Energex Minerals	413p	–49	—	—	—
230p	66p	Euro-Asia Capital Ltd.	100p	–20	—	—	—
821p	283p	♥Galactic Resources	425p	–5	—	—	—
69p	4½p	Global Data Systems	30p	–7	—	—	—
873p	396p	Granges Expln‖	396p	–72	—	—	—
19p	10p	♥Gt Pacific Res.	11½p	...	—	—	—
14½	644p	♥Gulf Canada‖	811p	–55	52c	—	3.0
14⅛	782p	♥Hawker Sid Can‖	920p	–50	96c	—	—
740p	460p	Henlys Group	505p	–16	—	—	—
14⅛	852p	♥Hudson's Bay‖	874p	–50	60c	—	3.2
38⅛	24⅛	♥Imperial Oil‖	28½	–2⅛	s$1.60	—	2.6
14⅛	782p	Inco‖	891p	–121	US$0.30	—	1.4
34⅛	14½	♥Intl. Corona Res.	25⅛	–1⅞	—	—	—
785p	443p	♥Inland Nat. Gas $1	574p	–9	60c	—	4.8
10⅛	385p	♥Lacana Mining Corp‖	688p	+18	Q15c	—	1.0
756p	129p	Madeleine Mines	378p	–38	—	—	—
2456p	158p	♥Muscocho Expln.	202p	–1	—	—	—
11⅛	748p	♥Ntnl Business Syst.‖	817p	–61	—	—	—
623p	258p	♥Nevada Goldfields	309p	–37	—	—	—
251	826p	♥Rio Algom	826p	–40	$1.30	—	7.2
19⅛	12½	Royal Bk. Can.‖	12⅞xd	–⅛	$2.08	—	7.4
403p	135p	♥Royex Gold Mining‖	264p	–25	—	—	—
52¼	33⅛	Seagram‖	33⅛	–1½	US$1.00	—	1.8
731p	235p	♥Sonora Gold Corp‖	494p	–3	—	—	—
208p	64½p	Soval Eng.	68½p	+4½	—	—	—
15⅛	11⅛	Toronto-Dom. Bk.‖	11⅞xd	–⅛	84c	—	3.3
228p	19p	♥Trans Atlantic Res‖	48p	–12	—	—	—
10⅛	690p	♥Trans Can Pipe	736p	–38	$1.12	—	7.0
200p	124p	Varity Corp‖	144p	–12	8	—	—

BANKS, HP & LEASING

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
259	146	ANZ SA1	164	–6	hQ20.7c	2.4	5.7	7.3
•273	178	Allied Irish	210	+5	Q61.6%	2.8	6.7	7.3
•£16⅛	£11	Algemene Fl 10	£11⅛	–⅛	Q2.7%	2.1	7.1	6.6
•128	53	Anglo Irish	90	.....	gQ19.69%	1.4	4.9	22.9
108	84	Ansbacher (H.) 1p	96	–1	•2.0	—	2.9	—
£49⅛	£24¼	Banco de Bilbao S.A.	£47¼	.....	Q38%	3.0	2.1	16.1
£34½	£23½	Banco de Santander	£31	–1½	†Q19.15%	2.7	1.8	23.4
•345	175	Bank Ireland Ir£1	210	+5	gQ15.93%	2.9	7.0	7.3
£15	£11½	Bank Leumi	£15	.....	—	—	—	—
350	240	Bk. Leumi (UK)£1	350	...	12.4	—	4.9	—
643	395	Bank Scotland £1	498	–35	†16.5	3.4	4.5	8.8
88	68	Bank of Wales	73	.....	♦ta2.4	2.2	4.6	13.9
655	435	Barclays £1	478	–7	†21.0	3.8	6.0	5.4

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY AND STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

INSURANCES

LONDON SHARE SERVICE

INSURANCES—Continued

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
*£11½	770	Prudential	790xd	–45	†29.0	—	5.0	—
598	405	Refuge 5p	408	–25	15.75	—	5.3	—
595	398	Royal	413	–32	†h15.5	—	5.1	—
110	93	Salford Ins. Inv.	97	...	—	—	—	—
*345	188	Sedgwick Group 10p	220	–10	12.0	1.7	7.5	9.4
339	207	Steel Burrill J.10p	216	–12	†9.0	2.0	5.7	12.0
668	403	Stewart Wr. 20p	418		†13.0	2.0	2.9	21.9
612	377	Sturge Hldgs 20p	435	–10	†t6.0	2.5	1.9	28.5
£12½	645	Sun Alliance	895	–3	†23.5	—	3.6	—
£13	929	Sun Life 5p	£10¼	–½	†28.5	—	3.8	—
£69¼	£39	♥Taisho M EDR	£43½	–3½	g010%	—	1.0	—
£22¼	£14¾	Torchmark $1.00	£16¼xd	–1½	Q$1.00	—	3.7	—
410	235	Trade Indemnity	380	–5	†4.3	—	1.6	—
£34	£21½	Travelers $1.25	£24½	–2½	$2.28	—	5.8	—
£30¼	£18½	USF & G Corp $2.50	£20⅝	–2½	Q$2.48	—	7.4	—
£33½	£16½	USLIFE Corp. $1.0	£19½	.....	Q$1.20	3.2	3.8	4.3
738	555	♣Utd Friendly B 10p	705xd	–8	21.0	—	4.1	—
464	271	Willis Faber 12½p	309	–14	†10.75	2.4	4.8	11.8
128	41	Windsor Secs. 10p	98	+3	†0.7	1.5	1.0	—

LEISURE

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
35½	11½	♣A & M Group 10p	18	–2	—	—	—	—
242	153	Airtours 10p	158	+2	R5.4	2.5	4.8	11.5
*549	302	Anglia TV	415	–13	†g11.25	3.3	3.7	11.5
308	78	Arley	225	–38	—	—	—	—
194	108	♣Aspinall Hldgs. 10p	165	.....	♦6.0	1.2	5.0	22.6
141	63	♣Aresso 1p	92	–1	0.5	6.7	0.7	26.0
72	40	♣BCE Hldgs 5p	61	–2	Ld1.0	♦	2.2	♦
300	132	Barr & W.A.T. 'A'	245	–7	†8.0	1.4	4.5	20.0
58	30	Bond Media	38	–5	—	—	—	—
235	165	Boosey & Hawkes	230	.....	—	—	—	—
83	38	♣Border T.V.	56	.....	1.4	♦	3.4	♦
*439	43½	Brent Walker 10p	325	–13	†g8.5	2.2	4.3	15.4
124	94	Do 6pc.Cv.Cm.Rd.Pf.	97	–3	6.0	—	8.5	—
*338	110	Campari Int. 20p	260	–5	†3.0	5.1	1.6	13.3
306	211	♣Castle Comms. 5p	250xd	.....	L7.0	♦	3.9	♦
211	127	Capital Radio 10p	157	+5	W†5.0	1.8	4.4	17.0
684	370	Central ITV	573xd	.....	†17.0	2.3	4.1	14.8
274	171	Chrysalis	208	–3	5.6	2.1	3.7	17.4
101	43	♣Citywision 5p	58	–3	♦—	—	—	—
*98	12	♣Entertain Prod 5p	38	+3	—	—	—	—
443	207	Fairline Boats 10p	358	–10	†6.0	3.6	2.3	16.8
690	414	First Leisure £1	583	+22	†7.5	3.5	1.8	23.6
165	70	GRA Group 5p	150xd	.....	♦a0.86	2.2	0.8	86.8
132½	48½	Grampian TVA 10p	68	–1	2.3	3.4	5.3	7.7
78	48	♣Greenwich Comm.	53	–2	—	—	—	—
391	202	HTV Non/Vtg.	307xd	–1	♦9.8	♦	4.4	♦
89	47	Hastmer A$0.25	65	+13	—	—	4.9	—
*105	32	Juliana's Hldgs 2p	75	.....	m†1.83	1.0	3.4	28.4
£10½	440	LWT	925	+5	28.5	♦	4.3	♦
355	152	Lee International 10p	355	....	3.3	♦	1.3	♦
182	54	Leisure Inv 10p	143	–4	1.45	♦	1.4	♦
*144	66	Leisuretime Int 10p	117	–7	‡2.3	0.6	‡	—
163	100	♣Lowmar	135	–3	♦2.63	3.1	2.7	16.4
738	80	♣Marina Dev. 50p	380	–10	♦—	—	—	—
232	160½	Mecca Leisure 10p	196	+1	14.1	1.8	2.9	26.0
211	92	♣Media Tech Int 20p	210	.....	2.8	4.5	1.8	16.1
*360	165	Medminster 10p	285	–15	7.7	♦	3.8	♦
545	218	Midsummer Leis.	420	.....	†4.0	3.9	1.3	20.5
330	175	♣Miss World 10p	240	–10	†6.0	3.2	3.4	12.6
18	8	♣Nimslo Int 20c	15	+3	—	—	—	—
65	30	♥Octocorp Incs NZ$0.5	43	–8	Q2c	6.0	1.6	10.2
242	119	Orient Ex Hlts $0.125	121	–8	—	—	—	—
158	42	Owners Abroad 3p	106	–2	a1.8	3.8	2.3	15.7

For Photax London see Arley

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
98	34	♣P'dilly Radio NV 5p	83	....	2.0	1.4	3.3	28.8
238	180	Pickwick	184	–5	R2.5	3.1	1.9	24.1
118	73	♣Pineapple 10p	75	–30	—	—	—	15.7
263	155½	Pleasurama 5p	183	–6	†h4.88	2.8	3.6	13.4
234	148	Do. 7pcCvCnvRedPf	167	–5	7%	—	5.7	—
221	114	Prestwick	157	–6	1.0	♦	0.9	♦
175	127	♣Prism Leisure 10p	138	.....	L4.26	2.5	4.3	12.8
235	87	Quadrant Group 10p	160xd	–10	†♦2.4	3.1	2.1	17.5
163	43	♣Radio City 'A' NV	134	+1	—	—	—	—
121	53	♣Radio Clyde	99	–1	†3.5	1.6	4.8	17.5
617	361	Really Useful Grp 5p	565	–5	†11.25	2.2	2.7	22.8
220	142	Saga Hols. 20p	175	–1	4.6	0.2	3.6	—
228	110	Samuelson Grp 20p	168xd	+3	♦2.4	—	1.7	—
290	91	Scaura 20p	170	–5	‡n2.5	0.3	‡	—
610	340	Scott. TV 10p	458	–10	†15.0	3.3	4.5	9.1
49	13½	♣Select TV 10p	30	–1	—	—	—	—
135	19	♣Spectrum 5p	88	–3	—	—	—	—
337½	142½	Stanley Leisure	260	–8	h03.0	3.7	1.6	23.5
99	47½	TSW 5p	81xd	–2	2.7	♦	4.6	♦
404	210	♣TV-am 10p	303	–9	†15.75	3.4	2.6	12.4
*454	250	TVS 10p	359	+4	†10.0	3.3	3.8	11.1

PAPER, PRINTING—Continued

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
256	100	♣Moorgate Group 5p	170	–10	L2.0	3.7	1.6	23.2
275	120	Mow O'Ferr. 10p	248	...	†5.2	2.9	2.9	15.9
116	78	♣Mos Advertising 5p	105	–3	dL2.45	1.2	3.2	(30.0)
195	113	Norton Opax 10p	149	+4	†4.0	2.7	3.7	13.8
111	96	Do 5¼pc.Cv.Cm.Red.Pf.	100	+2	5.25	—	7.2	—
£28	£15¾	Ogilvy Group $1	£15¼	–⅛	Q84c	—	3.4	—
255	57	Olives Paper 20p	185	..	♦—	—	—	—
345	291	♣Osborne & Little 5p	323	–7	3.9	3.8	1.7	22.1
128	53	Oxprey Communications	98	.....	a2.14	2.0	3.3	20.9
253	110	♣Peters (Michael)	208	–10	†2.6	2.4	1.8	32.7
*699	382	Saatchi 10p	387	–19	†h12.14	2.2	4.3	12.2
*138½	92	Do. 6.3pcCnvPrefE1	96	–8	6.3%	—	9.0	—
480	52	Seqma	298	–20	‡♦2.0	5.7	‡	20.8
£11¼	412½	St Ives 10p	845	–55	G5.75	♦	0.9	♦
£53¼	£30¼	Scott Paper	£36½	–6¼	Q$1.36	—	2.3	—
815	333	Shandwick 2p	670xd	.....	5.5	♦	1.1	♦
89	60	♣Shelton (Martin) 10p	67	...	d1.75	2.3	3.6	16.8
485	248	Smith (David S.) 20p	409	–8	5.25	4.4	1.8	17.6
650	313	Smurfit (Jefferson)	455	+5	†Q22.7%	4.7	1.1	29.3
126	73	♣Space Planning Servs.	108xd	–5	1.8	2.0	2.3	30.1
58	23	♣Stanco Exhibition 5p	38	+1	0.29	4.0	1.1	32.3
156	85	♣Sterling Pub. 5p	143xr	.....	2.2	2.3	2.1	27.1
245	115	♣TMD Advertising	212	–1	2.0	3.7	1.3	28.3
96	44	♣Thorpac Group 2½p	56	–4	1.17	2.1	2.9	14.1
288	199	Usher Walker 10p	260	–3	E09	2.4	4.2	13.5
548	151	VPI Group 5p	343	–26	1.5	5.9	0.6	38.9
*391	203	WCRS Group 5p	288	–7	3.13	4.3	1.5	18.3
*£11¼	534½	WPP Group 10p	580	–83	†g3.2	4.1	0.8	45.0
*360	59	Wace Group 20p	245xr	+5	21.0	—	0.6	54.3
*344	190	Waddington (J.)	260	+1	6.0	2.3	3.2	16.9
575	252½	Watmoughs	538	–2	†6.5	2.3	1.7	36.1
358	165	♣Wey Mackay-Lewis10p	300	–5	L4.0	2.9	1.8	25.4
287	133	Yellowhammer 5p	250	.....	2.1	4.6	1.2	25.7

PROPERTY

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
*129	70	Allied London 10p	95	.....	2.1	♦	3.1	♦
*306	164	Arlington Sec 10p	203	–15	†g2.2	4.1	1.5	24.3
845	340	Asda Property 20p	655	–20	♦3.5	3.3	0.7	56.2
132	107	Do 5¼pc.Cm.Rd.Pf.	113	+1	5¼%	—	6.2	—
18	7	♥Austmark Int.	9	.....	—	—	—	—
213	140	BDA Hldgs. 10p	145	.....	L2.5	3.7	2.4	15.8
415	188	BakerHarrisSaund10p	385	–5	L4.0	♦	1.8	♦
£18½	380	Barlows	£15	+1	7.5	—	0.7	—
238	119	Belgrave Hldgs	235	.....	1.5	—	0.9	—
60	17½	Berkeley & Hay Hill	33xr	–1	—	—	—	46.4
405	276	Bilton (Percy)	355	–10	†12.94	1.5	5.1	17.3
720	490	BradfordProp.	650	.....	11.0	3.3	2.3	18.1
280	141	Bredero Props.	220	.....	♦†4.25	2.6	2.6	16.4
193	148	Britannia Grp. 5p	161	.....	R3.85	3.0	3.3	14.0
351	170	British Land	240	+2	3.5	3.8	2.0	15.3
294	169	Brixton Estate	229	–1	†6.5	1.4	3.9	23.4
*831	289	♣Brookmount	620	–20	♦4.0	5.5	0.9	28.7
£25¼	£18¾	Bagge Eindoms	£20	.....	Q10%	15.5	1.8	3.5
495	150	Burford Group	313	–15	L1.2	4.4	0.5	59.4
176	103	CALA 5p	158	+1	2.2	4.7	1.9	15.3
315	53	Caird (A.) 10p	265xr	–15	0.5	♦	0.3	♦
458	260	Capital & Counties	325xd	+5	mH8.0	1.8	3.4	23.1
106	91	Do 5¾pc Pref	91	.....	5.75%	—	8.7	—
120	64	♣Can.& Reg.Prop.10p	88	.....	20.1	—	0.2	26.3
650	295	Cardiff Prop 20p	500	–50	1.85	0.6	0.5	—
390	280	Chase Prop Hldgs	285	–5	a2.6	4.3	1.2	27.5
715	495	Chesterfield	565	–45	13.2	2.1	3.3	18.6
400	90	♣Citygrove 10p	305	–30	L2.5	3.6	1.1	32.2
275	155	City Site Estates	195	–5	†n0.96	2.4	0.7	67.7
170	76½	Clarke Nickolls	120xd	.....	†h3.15	1.9	3.6	(16.7)
390	228	Clayform Props 5p	265	–20	†7.5	2.2	3.9	15.7
142	62	Do. Warrants	95	–5	—	—	—	—
850	413	Compco Hldgs 20p	800	.....	7.5	1.5	1.3	70.9
480	270	Connells Est Agts 5p	335	–40	†♦6.4	0.3	0.2	15.9
192	40	♣Cons Tern Invs 20p	65	–1	‡5.0	0.8	‡	16.7
127	15½	Control Secs. 10p	63	+2	—	—	—	—
113	68	♣Corp. Ests. Props. 5	70xd	–3	L0.75	2.4	1.5	38.2
220	130	C'try New T. 10p	168	–5	2.25	1.9	1.8	(30.0)
268	169	County Props 'B'10p	215	.....	†4.3	1.3	2.7	7.3
468	230	Cussins Prop. Grp.	442xd	–6	†6.6	3.5	2.0	15.8
£13¼	665	Daejan (Hldgs)	925	–25	17.0	4.4	2.5	12.5
*89	9	Dares Estates 5p	55	–1	20.1	—	0.2	—
111	71	♣de Morgan 5p	91	–5	†1.0	4.3	1.5	21.3
230	165	Debenham Tewson 5p	200	.....	L3.25	2.3	2.2	27.0
232	110	Dencora	210	–5	2.5	2.9	1.6	26.0
760	290	Derwent Valley 5p	670	–10	4.68	1.1	1.0	—
405	120	Dwyer	250	–10	—	—	—	—
333	98	Egerton Trust	190	.....	1.75	2.2	1.3	40.4
312	110	Do. 7pcPf £1	190	–20	7%	—	5.0	—
240	135	Ests. & Agency	205	.....	3.0	2.3	2.0	29.0
213	110	Ests. & Gen. 20p	160xd	.....	†2.73	1.9	2.3	23.0
305	163	Ests. Prop. Inv.	195	–5	9.0	1.3	6.3	15.3

THIRD MARKET

1987 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
*62	6	Edmon Ent.	20	–1	—	—	—	—
41	11	Do. Warrants	13		—	—	—	—
186	93	Far East Res. 10p	105	–5	—	—	—	—
110	30	Gardner (J.) 5p	86	–2	R1.25	2.5	2.0	(29.8)
53	29	Monobuilt Group 5p	41	+3	—	—	—	34.5
133	65	Leading Leisure 5p	93	–2	0.9	3.1	1.3	26.9
95	68	Lynx Tech 5p	80	–15	♦—	—	—	9.2
180	115	Medirace 10p	142	–3	—	—	—	—
98	44	♥Owota Gold (RO 02)	65	..	—	—	—	—
82	17	Publishing Hldgs.5p	53xr	+12	—	—	—	31.9
128	105	Seacon Hldgs	105	–3	—	—	—	16.0
87	45½	Theme Holdings	57	–6	1.0	1.9	2.4	30.6
210	140	UPL Group 10p	165	–10	L2.41	2.8	2.0	—
140	107	Unit Group	107	–1	R4.6	2.5	6.0	(47.6)

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed, dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –
Albany Inv 20p	88	–1
Craig & Rose £1	738	+8
Finlay Pkg 5p	103	–2
Holt (Jos) 25p	£11½xd	
IoM Stm. £1	313	–30

IRISH

Stock	Price	+ or –
Fund 11¼% 1986	£100½	+⅛
Nat. 9¾% 84/89	£98½	
Fin 13% 97/02	£109¼	...
Arnotts	300	
CPI Hldgs	75	–5
Carroll Inds	155	–5
Dublin Gas	48d	
Hall (R. & H.)	140	–35
Heiton Hldgs	60	
Irish Ropes	210	...
Jacob	340	...
Unidare	360	...

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	40	NEI	13
Amstrad	19	Nat West Bk	65
BAT	62	P & O Dfd	65
BOC Grp	50	Plessey	20
BSR	17	Polly Peck	34
BTR	36	Racal Elect	32
Babcock	32	RHM	35
Barclays	52	Rank Org Ord	70
Beecham	52	Reed Intnl	50
Blue Circle	50	STC	30
Boots	30	Sears	16
Bowaters	50	TI	37
Brit Aerospace	50	TSB	12
Brit. Telecom	28	Tesco	18
Burton Ord	32	Thorn EMI	65
Cadburys	25	Trust Houses	25
Charter Cons.	45	T&N	26
Comm Union	34	Unilever	62
Courtaulds	45	Vickers	20
FNFC	32	Wellcome	42
Gen Accident	95	**Property**	
GEC	22	Brit Land	30
Glaxo	200	Land Securities	50
Grand Met	50	MEPC	48
GUS 'A'	125	Peachey	40
Guardian	95	**Oils**	
GKN	38	Brit Petroleum	32
Hanson Tst.	17	Britoil	30
Hawker Sidd	58	Burmah Oil	52
ICI	125	Charterhall	10
Jaguar	52	Premier	11
Ladbroke	45	Shell	125
Legal & Gen	32	Tricentrol	11
Lex Service	45	Ultramar	26
Lloyds Bank	35	**Mines**	
Lucas Inds.	75	Cons Gold	125
Marks & Spencer	22	Lonrho	28
Midland Bk	45	Rio T Zinc	108
Morgan Grenfell	55		

A selection of Options traded is given on the London Stock Exchange Report Page.

FINANCIAL TIMES

Saturday October 24 1987

Superpowers fail to agree arms summit date

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET UNION and the US yesterday failed to reach agreement on a date for a summit meeting between Mr Mikhail Gorbachev, the Soviet leader, and President Ronald Reagan.

Mr Gorbachev told Mr George Shultz, the US Secretary of State, he was not satisfied that enough progress had been made towards an understanding on the President's Strategic Defence Initiative (Star Wars). However, he still held out hope that he would visit Washington later this year

Mr Eduard Shevardnadze, the Soviet Foreign Minister, said: "I am sorry to say that the American delegation did not show willingness for talks on a constructive basis on anti-ballistic missiles. Talks on this subject just did not work out".

Mr Shevardnadze said later that Mr Gorbachev had made a new offer on strategic arms limitation close to the American position during his talks with Mr Shultz. He said Moscow regarded the question of a 50 per cent cut in offensive strategic missiles and the maintenance of the ABM treaty as the cardinal issue in Soviet-American relations.

Earlier, Mr Shultz had said that Mr Gorbachev had told him he would be sending a letter to President Reagan soon, but that he did not know its contents.

Failure to set a date for a summit came at the end of two days of intensive negotiations in Moscow between Mr Shultz and Mr Shevardnadze. It marks a significant setback in the dialogue on arms control between the superpowers.

However, Mr Shultz did succeed in agreeing on almost all points at issue on an agreement to abolish intermediate nuclear forces. Apart from some remaining issues on verification "we are virtually there as regards an INF agreement," Mr Shultz said last night.

The Soviet position is that it cannot agree to limit the number of its offensive nuclear missiles unless the US agrees to restrict research and testing under the 1972 anti-ballistic missile treaty for at least 10 years.

Mr Shultz said the "critical difference" between the two sides concerned the period during which the US and the Soviet Union would pledge themselves not to withdraw from the ABM treaty.

"The length of time the Soviets have proposed is longer than ours," he said. Another disagreement between the two sides was over what should be allowed to take place during the non-withdrawal period.

Mr Shultz said repeatedly last night that the president was not prepared to give up SDI research and development.

Mr Gorbachev's refusal to go to Washington comes as a surprise because the INF agreement was previously seen as the main Soviet pre-requisite for a summit.

Soviet generals killed in air crash, Page 2

UK current account deficit falls sharply

By Janet Bush

BRITAIN'S current account deficit narrowed sharply to £55m last month from £929m in August, an improvement achieved through buoyant exports, particularly by manufacturers, and lower imports.

Although it is difficult to assess underlying trends in the trade performance because of the erratic nature of monthly trade reports, City economists believe the current account deficit for this year will be around £1bn to £1.5bn, substantially below the Budget forecast of £2.5bn, and that it should not act as a constraint on policy.

They see yesterday's figures as evidence that the economy is not overheating, as was widely believed earlier this year, and as giving some scope for yesterday's half-point cut in base lending rates.

Treasury officials said September's figures showed that the supply response of manufacturing industry was far more robust than many had thought. They said rising imports were inevitable because Britain was growing faster than other economies.

City analysts had already dismissed August's large shortfall as erratic and had been expecting a much better trade performance during September. However, yesterday's figures were far better than forecasts.

UK equity and government bond prices jumped immediately in response, although the collapse of confidence on Wall Street continued to weigh on the mood in London, ensuring that the recovery in the stock market was short-lived.

The impact of the trade figures on market sentiment was also soon superseded by news that the Bank of England had cut its money market dealing rates by half a point, triggering base rate cuts to 9.5 per cent.

Yesterday's figures showed a visible trade deficit of £655m last month, compared with August's £1.53bn shortfall. Estimates for Britain's invisible earnings were put at £600m in both months.

Excluding oil and erratic items, export volumes in the latest three months were 6 per cent higher than in the three months from April to June, and 9½ per cent higher than the July-September period last year.

Import volumes, excluding oil and erratic items, were 8 per cent higher in the latest three months compared with the previous three and 12 per cent up on a year earlier.

A breakdown of import volumes showed continued strong growth in capital imports, reflecting recovering investment this year as output has surged.

Tokyo market suffers steep fall

BY STEFAN WAGSTYL IN TOKYO AND STEVEN BUTLER IN LONDON

THE TOKYO stock exchange yesterday led Far Eastern equity markets in a steep decline following Thursday's fall on Wall Street, but European markets reacted more calmly and prices closed mixed or moderately down.

Tokyo suffered its second-largest decline ever and traders said President Reagan had failed to calm financial markets during his televised press conference early yesterday.

Bond prices swung wildy in response to a nervous mood in the equity market and to contradictory reports of peace moves in the Iran-Iraq war. The yield on the benchmark 89th issue 5.1 per cent 1996 bond closing at 5.590 per cent, was down 0.08 per cent on the day.

The Nikkei index of leading stocks fell 1,203.23 points to close at 23,201.22. This wiped out half the recovery in Tokyo in the last two days and left the market 12 per cent below last Friday's closing prices.

Foreign investors were among the biggest sellers, followed by Japanese individuals, some of whom plunged into the market after Tuesday's fall in the hope of making quick profits.

Japanese institutional investors mostly continued to stay away. Mr Shigeru Takora, manager of international business planning at Norinchunkin Bank, said: "We are still waiting to see what will happen."

Mr Junichi Nishiwaki, an economist at Mitsubishi Bank, said it would take time for markets to settle, especially if President Reagan's precise intentions in dealing with the US budget deficit remained unclear and if the position in the Gulf remained unstable.

The bearish mood in Tokyo was echoed strongly in Singapore and Australia, where waves of selling took market indices on the day down 11 per cent and 7 per cent respectively.

Singapore and Australia were among the world's hardest hit markets during the week, with the Singapore Straits Times Index off 30 per cent and the Australian All Ordinaries index plummeting 41 per cent since last Friday.

The normal 6½ hour trading session in Johannesburg was shortened to four hours and prices moved down throughout the session. The stock exchange all gold index closed off 12 per cent on the week at 2,018, with the industrial index off 18.6 per cent at 1,844.

Frankfurt closed mixed in a relatively quiet session, with trading on West German shares ending at the normal hour for the first time in the week, which saw an overall 11 per cent decline in the market. Trading on equity warrants and foreign shares was extended for 30 minutes.

Prices swung erratically in nervous trading in Paris and Zurich and closed marginally down on the day in both markets.

Bill will extend union reform

BY PHILIP BASSETT, LABOUR EDITOR

PROPOSALS in the 1987 Employment Bill, published yesterday, make it clear that the Government intends to extend significantly its proposals for further trade union reform. At the same time, the introduction of controversial measures on union discipline and on cutting young non-trainees' benefits are still planned.

Trade union and opposition leaders sharply attacked the proposals, but employers' groups were divided.

Mr Norman Fowler, the Employment Secretary, said the bill - the Government's fourth piece of legislation on this issue - marked "another milestone in the step-by-step process of trade union reform." He warned, too, that its publication did not signal the end of that process: "There are other areas where we might wish to look again in the coming years."

Its main proposals, which are likely to become law by next summer, were highlighted before the election. They include a requirement that all union elections be conducted by independently-scrutinised postal ballot; an insistence that ballots be held on all strikes; that elections be held for both voting and non-voting union executive members; and that a new commissioner for union members' rights be established.

Ministers defended the most controversial measure, which would give union members the right not to be disciplined by their leaders for refusing to take part even in lawful strikes or for crossing picket lines.

Employers' groups such as the Confederation of British Industry or the Engineering Employers' Federation are opposed to these proposals, although the Institute of Directors and Aims for Industry welcomed them.

The bill abandons some of the more minor suggestions outlined in a green paper earlier this year, but it introduces a number of unheralded measures. These include widening the commissioner's powers, enabling the Government to issue statutory codes of practice on union balloting and elections, and requiring unions which intend to organise industrial action to ballot separately each workplace which contains members entitled to vote.

One effect of this could be to curtail the widespread union tactic of selective strike action.

The bill includes a number of labour market measures: renaming the Manpower Services Commission, expanding the number of employers on it, and withdrawing benefit from young people who refuse government training scheme places.

Mr Norman Willis, TUC general secretary, said the bill was contemptuous of unions and "an insult to democracy." Mr Michael Meacher, Labour's employment spokesman, said it would result in wildcat strikes and would worsen industrial relations.

Young jobless to lose benefits, Page 4;
Details, Page 5

Dollar plunges

Continued from Page 1

dermined the Chancellor's staunch defence by attacking Congressional spending and appealing to Congress to stand with him against raising taxes.

The London stock market managed two brief rallies during an otherwise depressed session. News of a sharply narrower British current account deficit last month of £55m compared with August's shortfall of £929m sparked moderate buying but the interest was shortlived.

A small recovery was then triggered when the Bank of England cut its money market dealing rates by a half percentage point, signalling its desire to see base lending rates down at 9.5 per cent.

British banks were quick to follow the authorities' lead, but the broadly-based FT-SE 100 index continued to lose ground. The index ended 38 points lower at 1,795.2, while the FT Ordinary index closed down 38.5 at 1,398.8.

The decision to signal lower interest rates had been considered most of this week, but became a distinct possibility when equity markets failed to build on Wednesday's recovery.

The cut was plainly motivated by the collapse in confidence in equity markets and was meant to be "internationally helpful," according to one monetary official.

The British authorities argued that the collapse in share prices would have a deflationary effect on the economy and that, therefore, in spite of rocketing bank lending, were justified on domestic monetary grounds as well as in an international context. The cut in base rates fuelled surging UK government bond prices which closed yesterday about three points higher than Thursday's *close for a gain of five points* over the week.

Substantial demand for gilts exhausted £500m of stock, made available on Thursday for trading yesterday, by early afternoon as investors continued to switch funds from equities to bonds.

On Wall Street, share prices benefited from the weaker US bond market and stabilised after a somewhat rocky start to the session. The Dow Jones Industrial Average fell some 25 points at the opening, bounced back to a gain of 30 but settled back to trade little changed on the day.

The pace of business eased considerably from the frantic turnover seen earlier in the week. However, exchanges, closing two hours early to help back-office staff clear up a huge backlog of trades, still managed to pack in volume equivalent to a brisk but normal full session.

From early gains of another two points, bonds fell back below their opening levels and then closed little changed on the day. A stronger than expected figure for third quarter US gross national product and a modest rate of inflation in September had little impact.

An increasing number of economists believe that this week's upheaval in financial markets will slow economic growth and reduce inflation.

On the New York Stock Exchange declining issues outnumbered the number advancing by a ratio of five-to-three. But sentiment appeared to be relatively neutral with few people willing to build up new positions ahead of the weekend. Institutional investors in particular kept a low profile.

Further help in dampening stocks' stunning volatility this week came overnight from the Chicago Mercantile Exchange. It instituted a temporary 30-point maximum daily price movement on its futures contract on the Standard & Poor's 500 stock index. Other futures exchanges rapidly followed suit *on their own contracts.*

Reversing its strong opposition to limits, the CME said it took the action to "restore investors' confidence" in the markets. Index futures are popular ways for investors to hedge their stock positions or to arbitrage between the index futures and the stocks.

Chicago's futures pits have been virtually paralysed at times this week by massive waves of orders. Local futures traders who contribute a lot of liquidity to the contract have at times deserted the pits because they were being badly burned. Yesterday only a handful turned up to trade, compared with 150-200 normally, leaving market making to representatives of larger firms.

CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Treas. 11¾% 2003/07	£116 1/32	+	2 31/32
ASDA-MFI	165	+	10
Cookson	583	+	19
De La Rue	424	+	37
Granada	282	+	16
FALLS			
Appleyard	368	−	52
BOC Group	366	−	23
Bunzl	172	−	14
Cable & Wireless	313	−	40
English China Clays	430	−	30
Harrisons & Cros.	480	−	58
Inchcape	610	−	70
Legal & General	263	−	20
Marley	136	−	18
Morgan Grenfell	349	−	49
Redland	412	−	35
Rothmans	371	−	36
Royal Insurance	413	−	32
Smith New Court	210	−	20
Taylor Woodrow	298	−	52
United Newspapers	423	−	41
WPP Group	580	−	83
Warburg (S.G.)	358	−	40

WORLDWIDE WEATHER

		Y'day midday				Y'day midday				Y'day midday				Y'day midday	
		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	24	75	Dallas†	C	17	63	Madeira	F	22	72	Prague	C	9	48
Algiers	S	27	81	Dublin	C	9	48	Madrid	C	13	55	Reykjavik	S	4	39
Amsterdam	F	12	54	Dubrovnik	S	23	73	Majorca	S	24	75	Rhodes	S	24	75
Athens	S	21	70	Edinburgh	S	9	48	Malaga	C	21	70	Rio de Janeiro		-	-
Bahrain	S	33	91	Faro	S	18	64	Malta	S	25	77	Rome	F	27	81
Barcelona	S	20	68	Florence	F	20	68	Manchester	S	10	50	Salzburg	R	9	48
Belfast	S	7	45	Frankfurt	C	11	52	Melbourne	C	14	57	San Francisco†	F	14	67
Belgrade	S	19	66	Geneva	R	10	50	Mexico City		-	-	Santiago		-	-
Berlin	C	11	52	Gibraltar	F	19	66	Miami†	F	22	72	Seoul	C	14	57
Biarritz	S	18	64	Glasgow	S	8	46	Milan	R	13	55	Singapore	F	33	91
Birmingham	S	9	48	Guernsey	C	10	50	Montreal†	R	2	36	Stockholm	C	9	48
Blackpool	F	8	46	Helsinki	F	5	41	Moscow	C	0	32	Strasbourg	R	9	48
Bombay	F	32	90	Hong Kong	S	26	79	Munich	R	8	46	Sydney	R	19	66
Bordeaux	F	14	57	Innsbruck	C	10	50	Nairobi	C	27	81	Tangier	F	23	73
Boulogne	C	12	54	Inverness	S	9	48	Naples	S	23	73	Tel Aviv	F	22	72
Bristol	S	9	48	Isle of Man	F	9	48	Nassau		-	-	Tenerife	C	23	73
Brussels	S	10	50	Istanbul	R	16	61	Newcastle	S	9	48	Tokyo	F	19	66
Buenos Aires		-	-	Jersey	F	12	54	New Delhi	S	28	82	Toronto†	C	5	41
Budapest	S	17	63	Johannesburg	S	25	77	New York†	C	11	52	Tunis	S	33	91
Cairo	F	25	77	Las Palmas	F	23	73	Nice	C	15	59	Valencia	F	22	72
Cape Town	C	16	61	Leeds	S	10	50	Nicosia	F	24	75	Venice	C	16	61
Cardiff	F	11	52	Lisbon	C	11	52	Oporto	C	13	55	Vienna	C	12	54
Chicago†	S	-1	30	Locarno	R	12	54	Oslo	C	7	45	Warsaw	R	8	46
Cologne	C	9	48	London	F	10	50	Paris	R	8	46	Washington†	S	6	43
Copenhagen	C	11	52	Los Angeles†	F	17	63	Peking		-	-	Wellington	F	15	59
Corfu	F	23	73	Luxembourg	R	8	46	Perth	S	21	70	Zurich	C	10	50

C—Cloudy. Dr—Drizzle. F—Fair. Fg—Fog. H—Hail R—Rain. S—Sunny. Sl—Sleet. Sn—Snow T—Thunder.
† Noon GMT temperatures

US growth rate rises to 3.8% but exports fall

By Lionel Barber in Washington

THE US economy grew by a robust annual rate of 3.8 per cent in the third quarter of the year but the volume of exports fell, the Commerce Department reported yesterday.

Concern over the US trade performance was a key factor in this week's record stock market slump. The $5.2bn (£3.1bn) deterioration in the July-September period, largely due to a huge jump in oil imports, was the first setback in the inflation-adjusted trade deficit for three consecutive quarters.

The 3.8 per cent growth in the gross national product - the broadest measure of output of goods and services - was boosted by a modest 0.2 per cent rise in consumer prices in September.

The White House, which has been fighting a losing battle this week to calm fears in the financial markets, said the latest figures provided reassuring evidence of strong growth and modest inflation. The economy will now have to expand by only 2.1 per cent in the fourth quarter *to* reach the *official* target for 1987 of 3.2 per cent.

However, Mr David Wyss, a leading economist, said: "Right now, the chief worry is a recession, and if there's a recession, inflation won't be going up."

The third quarter GNP figures, while preliminary, were up from 2.5 per cent growth in the April-June quarter and represented the fastest rise since the 4.4 per cent increase in the first three months of the year.

Consumer spending rose 4.8 per cent, or $29.5bn (£17.6bn), while business investment jumped 23.7 per cent, the steepest rise in more than three years. Much of this rise was attributed to oil restocking - which government economists argue has distorted the trade picture.

The seasonally-adjusted value of imports of goods and services increased by $21.3bn, compared with $14.2bn in the second quarter. Some $19.3bn of the rise amounted to imports of oil and oil products, the Commerce Department said.

The seasonally-adjusted value of exports fell by $5.2bn between July and September, compared with an increase of $2.5bn in the second. The fall in trade volume appears to confirm there has been a slight falling off in the export of US manufactured goods, in spite of the decline in the value of the dollar against the yen and D-Mark.

Continued from Page 1

Piggott

tra cash payments to the jockey.

In 1985 a copy of the letter was leaked to the press. This document caused Customs and Excise to suspect that Piggott had received payments which he had not disclosed and it triggered the investigations.

Mr Hidden catalogued other streams of income from the UK and abroad which Piggott had not declared on tax returns. Many were set out in a report prepared by Price Waterhouse, the accountancy firm, in August, 1986, and produced in court.

Mr John Mathew, QC, representing Piggott, described his client as 'one of the world's greatest sporting personalities, probably in all of history,' who commanded adulation and respect in the racing world. 'Racing became for him physically and mentally a total and obsessive occupation to which his dedication was supreme,' said Mr Mathew.

However, aside from racing, Piggott was of 'limited intelligence.' A medical report was produced which said his intellect could have been lowered farther by brain damage from injuries sustained through his long career and which had possibly affected his judgment.

'He has few real friends, and even those few do not feel that they really know him, and, certainly at times, find it impossible to understand his thinking, reactions, and behaviour,' said Mr Mathew.

THE LEX COLUMN

Waiting for the President

On the surface, the week which started in such drastic fashion ended rather quietly. The FT-SE index prodded the 1,750 resistance line and recovered, poor old BP produced a token 4p rise and Wall Street was rock steady. London's closing fall of 38 points was only an average bad day by pre-crash standards. One had to recall that the morning had seen a base rate cut and a good set of trade figures - both major events in normal times - to appreciate the currents below the surface.

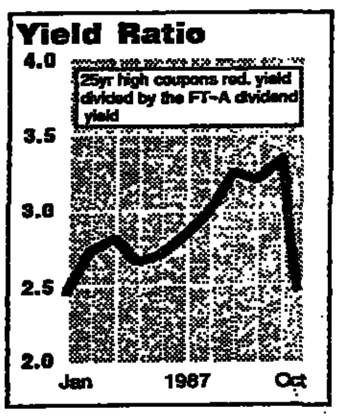
For the week as a whole, the most puzzling question is still why the fall in prices was telescoped in such an unprecedented way. Recent developments in trading systems in London and New York will have played a part, as did the advent of 24-hour equity trading round the world. But it will take time and anxious study to establish just why the markets went into a spiral of bigger and bigger crashes around the time zones, and whether this new and unwelcome feature of the global market is here to stay.

In London at least, however, it should now be possible to return to basic concepts of value. The last five years have seen an ultimately irrational concentration on capital gains, in the form of equities and property, rather than on income. This week saw the shattering of confidence in the inevitability of rising prices, but the pay-off should be the restoration of confidence in techniques of fundamental valuation, which lost favour in the last year or two because the values they produced were always too low.

The London market is now valued at 12 or 13 times current year earnings, perhaps three points lower than a week ago. This seems to take much of the valuation risk out of the system; that is, the earnings multiple now looks sustainable. The risk *now is that the earnings them*selves will turn out lower than forecast. The market collapse has come too late to affect the economy in the current year, but 1988 could be another matter, as reflected in the general down-grading of brokers' forecasts.

This is likely to be a more serious problem in the US, where the collapse has a more direct effect on personal wealth. The same applies to another traditional yardstick of value, the yield ratio. In the UK, this has retreated from ludicrous heights back to the level seen at the start of the year, through a combination of higher yields on equities and lower yields on gilts. The pattern in the US is similar, but it is rather less clear whether US bond yields will stay down at 9 per cent. In the UK, a consensus is starting to emerge that whether or not 1,750 is a floor, 1,600 would be outright cheap. There is less room for precision on Wall Street.

Yield Ratio



The rumours of a base rate fall circulating in the UK market on Wednesday and Thursday were widely dismissed on the grounds that the authorities could not be that stupid. Yesterday's Bank of England-led half-point cut was therefore something of a surprise. Considering the £4.4bn rise in bank lending in September, reported on Tuesday, there was still a belief that domestic monetary conditions could not justify an easier policy. There must be a fear that the authorities are more bearish than most on the UK economy if they think there are now sufficient disinflationary influences to require a loosening of policy.

There is only logic in the move if it is part of an agreed international policy. The US *must inject liquidity into the fi*nancial system to avoid the bank collapses that followed the 1929 crash, with the result that interest rates are lower than they should be. Therefore rates elsewhere must be cut if the dollar is to have any chance of holding its own. The flaw is that West Germany and Japan are far less willing than the UK appears to be to risk their domestic monetary policy, either by cutting rates or supporting the dollar heavily. And the UK's cut will only prove worthwhile if President Reagan can rapidly convince the markets that he will reduce the budget deficit soon, something he has so far failed to do.

Should the dollar start falling sharply again the outlook is bleak: after all, it was the fear of that happening which sparked off the crash. US bonds, which have gained enormously this week from the flight to quality, would quickly reverse to discount higher inflation. And a weakening currency would put paid to any lingering hopes that foreign buyers will come in to buy the forthcoming quarterly refunding. The deadline for decisive action by President Reagan is alarmingly close.

Repercussions

The managers of Eurotunnel still seem confident that they will be able to raise £750m of equity next month, but there was evidence yesterday that a growing number of other ambitious business ventures around the world are falling prey to the collapse in share prices. Merrill Lynch took the unusual step of withdrawing, at a very advanced stage, an A$1bn convertible bond issue for Mr Robert Holmes a Court's Bell Resources, and Jardine Matheson scrapped plans to buy a 20 per cent stake in Bear Stearns, the New York investment bank. Although its share price is trading at roughly half the $23 a share that Jardine offered to pay a few weeks ago, Bear Stearns was clearly upset that Jardine did not have the same confidence in its business as it did itself, and was muttering yesterday about possible legal action to make Jardine honour its side of the bargain.

As the full impact of the drop in share prices makes itself felt, similar business schemes hatched in the heady days of a roaring worldwide bull market will begin to be unscrambled. Among the most obvious casual*ties are the heavily geared cor*porate raiders from down under, most of whom have disappeared from sight in recent days with the crumbling of their share prices. However, they have left a number of strategic investments on the table. Mr Holmes a Court, for example, has major stakes in Texaco, BHP and Standard Chartered, and the withdrawal of his convertible bond issue is likely to put pressure on him to begin selling assets to continue financing his positions. This could be why Standard Chartered's share price slumped yesterday.

WEEKEND FT

October 24/25 1987

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هكذا من الأصل

The message of the markets

Michael Prowse analyses the crash and forecasts a loss of confidence in laissez faire economics

SOMETHING happened in financial markets this week that many commentators and analysts would have judged almost impossible. Share prices on Wall Street fell more than 500 points in a single session, shattering even the records set in the Great Crash of 1929.

The subsequent see-saw recovery of stock markets is hardly reassuring. The fact that 20 per cent of the value of a nation's equities can be wiped out in one or two days' trading is thoroughly unnerving, *whether or not* a sizeable proportion of the fall is eventually made good. The scale and swiftness of the decline are hallmarks of extreme financial instability. There can be no easy return to "business as usual."

Share prices, after all, never fall continuously. The Dow Jones index rebounded strongly from the initial crash in October 1929; by April 1930 it was *above* its level of December 1928. The one-day plunge was merely an omen of what was to come: stock prices slumped by 80 per cent between September 1930 and June 1932. And, as the history books relate, the world was devastated by a depression that lasted the best part of a decade.

In 1933, US gross national product was nearly a third lower than in 1929. Unemployment soared to 25 per cent of the workforce. It was not until 1941 that the dollar value of production, spurred by wartime demand, regained its 1929 level.

The US slump, which was exported rapidly to every corner of the industrialised world, led to a sea change in social and political attitudes. Governments lost confidence in market forces and abandoned the old philosophy of "leave it alone" or laissez faire. For three decades after the 1939-45 war, the case for public sector intervention—both to strengthen the welfare state and to stabilise the economy—went largely unchallenged.

The 1929 Great Crash, can thus be interpreted as an historical turning point of enormous significance. The question is whether the extraordinary gyrations of share prices this week will eventually be seen in a similar light. Are they the harbinger of some quite radical political and economic changes?

Politicians and financiers are already anxiously denying any such thing. Nigel Lawson, the Chancellor, shrugged off the 22 per cent fall of the London market on Monday and Tuesday as a "grotesque overreaction" and pronounced the UK economy sound. In the US, the authorities were equally eager to dismiss historical parallels. A smiling, thumbs-up Ronald Reagan was on hand to reassure frightened US investors that their import-soaked, debt-ridden economy was in great shape.

Apologists for this October's debacle are already seeking comfort from "technical factors"—computer screens, new trading techniques and structures, and the emergence of a global 24-hour market in shares. Pre-war share price volatility, they concede, might well have been an accurate barometer of approaching storms in the real world of jobs, offices and factories. But this week's mayhem was something rather different.

It was (say the apologists) more a consequence of the type of trading systems we now possess than a measure of real-world economic tensions. It was a reflection of the breathtaking speed with which information—and hence doubts and uncertainties—can be relayed around the globe. Electronic wizardry and a world market that never sleeps allowed the initial alarm caused by minor economic policy differences in the US and West Germany to be rapidly ballooned out of all proportion.

The upshot of this kind of reassuring reasoning is that politicians ought to be more careful not to row in public, and that trading systems in the world's equity markets could benefit from some cautious reforms. What the apologist line does not concede is that the world economy is experiencing strains comparable to those of the late 1920s. A re-writing of stock market record books, they say, is not warranted by the present economic "fundamentals."

The trouble with this argument is that collapses of 20 per cent a day in equity values are not taking place in a vacuum. They are not occurring in an economic world otherwise characterised by great stability.

During the 1980s, we have seen the dollar (and the pound) soar to absurdly overvalued parities and then plunge. (The dollar has lost more than 40 per cent of its international value since February 1985). Oil prices have risen well above $30 a barrel and plummeted to under $10 before recovering to around $20. Interest rates have ridden a simillar roller-coaster. And commodity prices have sunk to lows not seen since the 1930s before staging a very modest rally in the past year.

The gyration of exchange rates, interest rates and key prices have accompanied grave economic imbalances. Developing countries have fallen chronically into debt and now owe the First World more than $1 trillion.

At the same time, great swathes of the industrialised world remain blighted by unemployment: more than 31m people are jobless in the rich countries monitored by the Paris-based Organisation for Economic Cooperation and Development.

More directly relevant for the stock market gyrations, though, are the chronic trade imbalances that continue to plague the leading economic powers. Dollar devaluation has done little so far to curb the US's $150bn trade deficit. The world's biggest economic power, a secure creditor nation for most of this century, is now accumulating foreign debt at a rate that even the cautious IMF in Washington concedes is quite unsustainable. At the same time, Japan and West Germany are making only snail-like progress in reducing their embarrassingly large external surpluses.

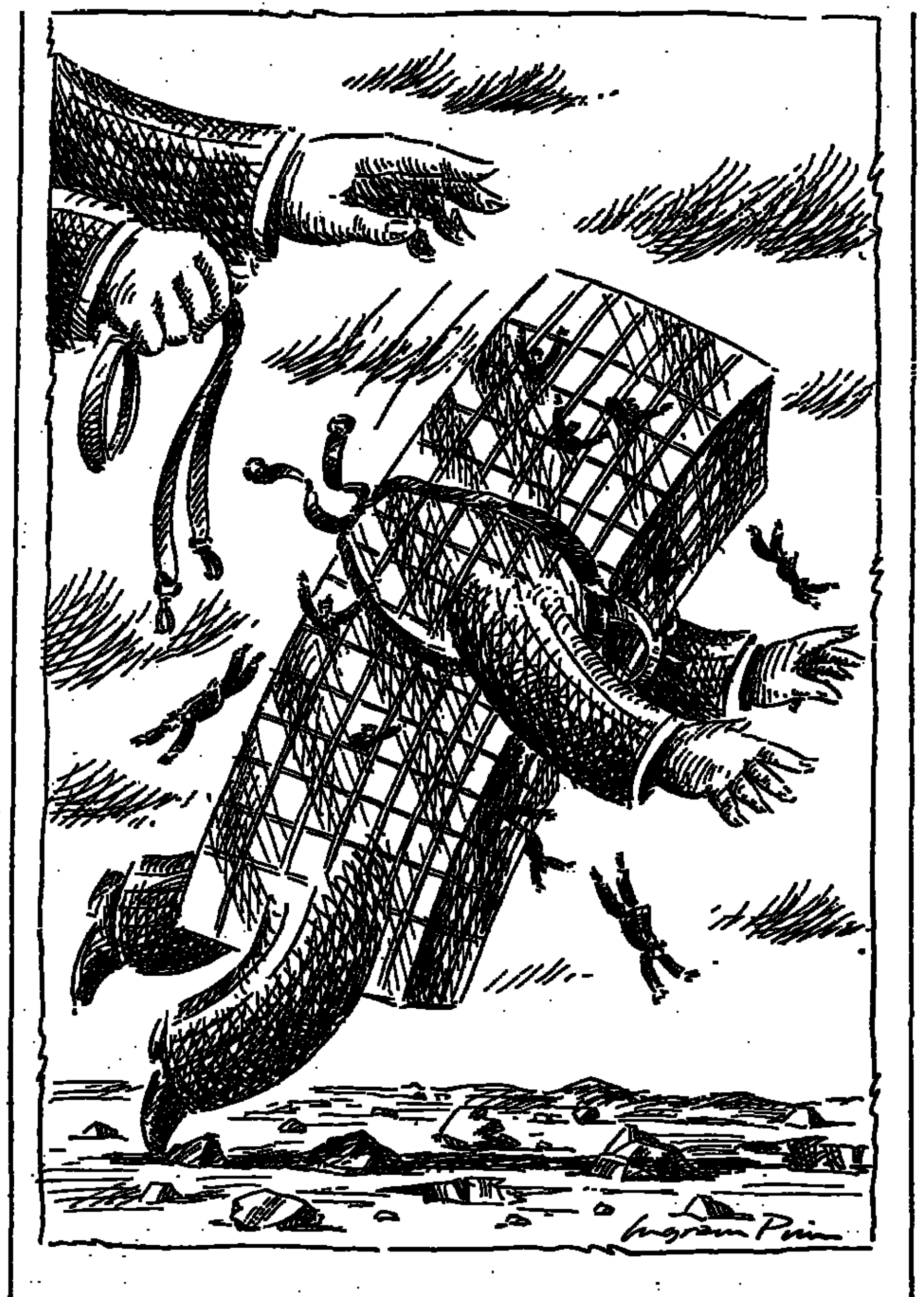
The imbalances owe something to Reagan's "spend now, pay later" policy of reckless tax cuts, which swelled the US Government deficit early in the 1980s. But they also reflect nearly a decade of Scrooge-like austerity in Japan and West Germany.

Given the duration and intractability of the world's many economic problems, financial markets might have been expected to remain somewhat subdued during the 1980s. Not a bit of it. Stock markets, cheered by the fall in inflation and interest rates bought temporarily by slow growth and much higher unemployment, have been leaping for joy for the past five years. Share prices roughly tripled in value on the major bourses between 1982 and early 1987.

It would thus be hard to write a better script for extreme volatility in financial markets. The giddy climb of share prices (until the recent sell-off) occurred in the face of unprecedented economic imbalances — on the foreign exchanges, in the Third World, and in labour markets — and despite the instability of almost every key economic indicator from exchange rates to commodity prices. Against this background, and in the face of the US's diminishing credibility as a borrower, it is surely unnecessary to seek arcane, technical explanations for this week's equity roller-coaster. Nor, on unchanged policies, is there any reason to suppose that it will not be repeated.

There is, as John Kenneth Galbraith argued in *The Great Crash*, "an essential unity in economic phenomena; no Chinese Wall separates the fiduciary from the real." Stock markets do not have minds of their own; nor are they detached from the real economy. They are an important leading indicator. The collapse of prices this week, even though partially reversed, is thus saying something significant.

But what? Almost nobody believes in the possibility of a second Great Depression. This is because lessons *have* been learned. On Tuesday, the US Federal Reserve (the central bank) lost no time in announcing that it was "ready to serve as a source of liquidity to support the economic and financial system." It acted aggressively to push down short-term interest rates—a startling, but sensible, reversal of its policy of recent months.



Central bankers around the world are acutely conscious that, from the cyclical peak of economic activity in August 1929 to the trough in spring 1933, the US money stock fell by a third. Many economists argue that this dramatic reduction in the money supply was the single most important cause of the Great Depression. If the Federal Reserve had prevented the monetary contraction, they argue, the Great Crash would be remembered as no more than a minor stock market correction that correctly signalled a modest business downturn.

In the 1980s, one would hope that even the ultra-cautious West German central bank would take all possible *steps to* avert unacceptably *slow growth* of the money stock, let alone an absolute contraction. And if, for any reason, the monetary instrument proved ineffective, even High Church monetarists would surely swallow their pride and call for the classic Keynesian remedy of higher government borrowing and spending to counteract a private sector slump. We know today what we did not know in the 1930s: that a 33 per cent contraction of output is not something that has to be endured passively.

However, if this week's market crash does not presage another Great Depression, it might still represent a turning point in the history of ideas. Turmoil on the foreign exchanges has already convinced even an instinctive libertarian like Lawson that these markets "need managing." The whiplash volatility of bourses should reinforce the message of market fallibility. Share price falls of 20 per cent in a day make a mockery of academic claims that stock markets are "efficient." *And it is significant* that they occurred in the aftermath of another failed effort at international economic "co-operation."

Markets are beginning to react like the family dog that slips the lead. At first, the freedom leads to euphoria. This is followed by misbehaviour. The final stage is fright and a search for the warmth and security provided by the owner. Some politicians may still believe in laissez faire, but the message from the markets is that a bit of guidance and restraint would not come amiss.

It might, therefore, be that economic policy is in the *process of* turning full circle. The post-war economic system was designed by people who had endured the chaos of the 1930s. They may have erred too far on the side of controls and constraints on markets—although it is at least arguable that the "golden era" of trade expansion was possible only because the regime governing capital flows was so illiberal.

It now seems increasingly clear, however, that the reaction against government intervention and managed markets in the 1970s and early 1980s went too far. There was a pervasive retreat from responsibility.

This is evident in both domestic and international economic management. The Bretton Woods system of semi-fixed exchange rates, for example, was bound to break down sooner or later because it placed too much strain on the US as an anchor for the world monetary system. But rather than establishing a new more flexible system that distributed burdens more evenly, governments in the 1970s threw in the sponge. They said, in effect: "We cannot handle exchange rates so let's leave them to the markets."

Increasingly, difficulties in handling inflation led to a similar over-reaction in domestic economies. After decades of balancing the competing requirements of growth, employment, and price stability, many governments simply abandoned the first two responsibilities. Adopting the rhetoric of monetarism, they claimed that macroeconomic policy could be used only to control inflation. Growth and employment, ran the argument, were things that governments could influence, if at all, only indirectly—by deregulating and liberalising markets.

If the tide of ideas is beginning to turn, it is only because the new policies have not been sufficiently successful. "Floating" — or market determined — currencies were supposed to stabilise the foreign exchanges and insulate countries from the policy mistakes of their neighbours. They did no such thing. What happened is that nations were given the freedom to follow mutually inconsistent policies for longer than ever before. The US could never have got into its present parlous condition under a regime of restricted capital flows and properly managed exchange rates.

"Hands off" policies have been equally unsuccessful in other spheres. If governments had not abnegated responsibility for the re-cycling of Opec surpluses in the 1970s, would the Third World debt crisis be so severe today? More controversially, if EC member-governments had been more prepared to accept direct macroeconomic responsibility for employment, would the commission in Brussels today be despairing over a jobless rate of 12 per cent?

The sharpest falls in share prices for six decades, extreme turbulence on foreign exchange markets and unprecedented world macroeconomic imbalances are broadcasting a very clear message to policy-makers. It is not that all will be well if the US, Japan and West Germany can kiss and make up in the short-run. It is the lesson of the 1930s: that markets are extremely useful servants but headstrong, unreliable and ultimately disastrous masters.

The Long View

Tough lessons for small investors

Barry Riley looks at the shakeout in the equity markets and considers whether the principle of wider share ownership could be one of the main victims of the great collapse

YOU ONLY needed to go away for two days this week, dear reader, and you would have come back to find that your UK equity portfolio had lost 22 per cent of its value. Is that the kind of investment you feel comfortable with — even given that it has clawed back some of those losses subsequently?

You can thank your lucky stars you did not have your life savings entrusted to a real cowboy stock exchange like that of New York, where you could have lost more than 20 per cent in a single day and 30 per cent inside a week. Eat your heart out, Vancouver.

Of course, it all happened to grandfather back in 1929. But that was because of inadequate stock market regulation, rip-roaring speculation and inept economic management. They handle such things much better these days — don't they?

There will be many losers from the past week's remarkable shakeout, but the principle of wider share ownership could be one of the main victims. *Just as you thought it was safe* to go into the market the Great Crash II arrived.

In a triumph of bad timing, millions of would-be applicants for the BP issue found their mini-prospectuses this week sharing a letter box with their daily newspaper headlining the stock market's worldwide collapse.

This might seem bad enough, and indeed there are a great many disconsolate underwriters to the issue. But they are professionals. Imagine how much worse it would have been if the offer had got away successfully two weeks ahead of the crash.

Remember that the British Government had *persuaded* millions of small punters to consider risking their money in partly paid stock that could have halved overnight in markets like these (though it was supposed to have risen by 30-50 per cent instead).

It is true that by permitting the man in the street to apply for stock valued at as little as £96 the Government has allowed this offer to appear as something of a pin money flutter rather than a serious opportunity for investment (much as it did with BAA, where the allotments were worth a princely £146).

But the political priority has been to get as many people as possible on to the list of shareholders. Already the claimed number of investors owning one or more shares has jumped from 2m to 9m in four years.

In itself, it is quite an impressive achievement. Now, however, those newcomers need to adjust to the harsher life of a shareholder outside the cosy conditions of a long bull market.

The first lesson is that modern equity markets are subject to occasional corrections *of quite* terrifying speed. Even the experts closest to the scene are unable to predict the timing (though plenty of people have been saying in general terms that the equity market has risen dangerously high this year).

There used to be quite a few professional investors who fancied their skills at moving in and out of the stock market —the Americans classify them as "market timers." Most of them have burnt their fingers badly over the past few years.

In the UK the most celebrated roasting of the market timers took place in January 1975. Over the New Year, fund managers who had switched out of equities into cash and gold were revelling in their huge outperformance for calendar 1974 compared with their less enterprising rivals who had stayed more or less fully invested.

Then the market doubled within a few weeks, the market timers found it impossible to get back in, and paid a heavy price in lost clientele.

More recently the American market showed a rather similar (if less extreme) turn of speed when the US equity market took off like a rocket in August 1982 and the Dow Jones Average put on 33 per cent in 10 weeks.

Now we have to face the implications of the abrupt crash, which was alarming enough in the US where it originated, and in some ways more so in other countries to which it was so swiftly transmitted through the technological marvels of the global equity market.

In the UK it came pretty well out of a clear blue sky. This week's turmoil has shown that in extreme circumstances modern markets do not rise and fall, they move more or less instantaneously to quite different levels.

Even if an investor is quick on the uptake he probably will not be able to get through to his unit trust company or his stockbroker. If he gets that far, he will find it impossible to deal at sensible prices. And it may be that the whole market will simply shut up shop, as Hong Kong did this week.

At one level, this presents a splendid opportunity for building societies to place full-page advertisements urging savers to take whatever money they have left out of the stock market casino and deposit it in a Rock Solid Instant Access Account.

At another, it may cause the Government to pause for thought about the desirability of its wider share ownership campaign. Encouraging relatively wealthy individuals to commit part of their assets to long-term stock market investment *is one thing*, but luring many millions into the market on the promise of instant profits is another. It could prove counterproductive.

In that sense the Government has arguably had a narrow escape over the BP issue, but the unit trust industry may not have done in relation to its own marketing campaigns. *The £240m* "Royal Event" has, for instance, blundered right into the market slump.

There is a fundamental problem here. The unit trust industry is always its own worst enemy, selling hardest and making its biggest profits on the eve of a market collapse.

It is a matter of the difference between being an adviser and a salesman. Whereas the former will advise caution when markets are high the salesman will cash in on his opportunity, for his products will sell best when they have a good recent growth record (ie they are expensive).

Which is not to deny that, over a long enough period, the equity market has delivered excellent returns. But if you now feel that you no longer dare go away for a long weekend, you can take it that you are overcommitted.

●CONTENTS●

Five days that shook the City

London

POP! The greatst London stock market crash was like the *bursting of an over-inflated* baloon: it came without warning and with a speed and totality that was frightening.

To put the severity of the bea stampede in context, it is worth going back nine days, to the Thursday before last. That night Footsie, the FT-SEE 100 index, closed around 2,300. The latest brokers' circulars were expessing a degree of concern about a downturn on Wall Street, but the bouyancy of the UK economy was meant to provide a substantial cushion against transatlantic influences.

Indeed, some were suggesting there might be a modest rise in Footsie to the end of the year. And small investors who bought shares in Britain's biggest issue — the £7.5bn British Petroleum offering — were likely to see a substantial premium in first day dealings, provided of course that the market held steady. But it didn't.

The next day, when the aftermath of the hurricane *stopped any real trading in* London, the mood on Wall Street turned very ugly, and over the weekend a fundamental change of mood took root in the US: the great bull run was over.

By Monday, therefore, market makers in London were braced for a difficult day, made doubly so by the lack of trading on *Friday.* But no one was prepared for the scale and rapidity of the collapse.

At one point Footsie had shed a *full 300 points before* a modest rally left it to close down 250 — a loss of more than 10 per cent in just a few hours, *far outstripping London's previous* record fall of 7 per cent on March 1 1974.

Tuesday brought no respite. London again took its mood from Wall Street, which had closed down by more than 500 points overnight, and Footsie ended the day a further 250 down. But Tuesday brought a *fresh unsettling element* — the market did not merely move one way, but gyrated wildly up and down within a band a full *250 points* wide.

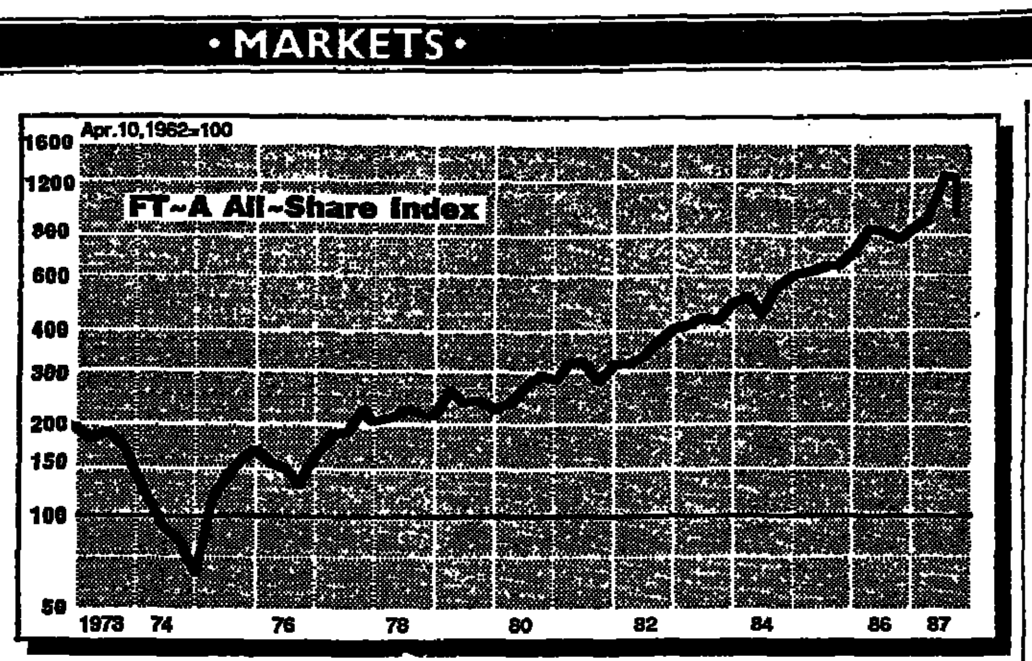
Wednesday was a day for rallying, on both sides of the Atlantic, with Footsie ending the day around 1944. But on Thursday, when the markets had been widely expected to start settling down, they plunged again and Footsie ended the day at 1833, down 110.

Yesterday brought rather calmer conditions to London — though the movements were huge by past standards — with nerves soothed by a good set of trade figures and a half point cut in base rates engineered by the Government.

At the root of the worldwide collapse in equity values lay the sudden change of sentiment on Wall Street over the health of the US economy. The oft reiterated fears *that the huge* American trade deficit would lead to still further falls in the dollar, rising inflation and a tightening of US monetary policy, leading to recession, finally struck a chord.

And however strong the British economy might be, compared to others, this could be no real hedge for London against a downturn as savage as that seen on Wall Street, *particularly in a world where* international equity markets are so closely linked.

At the same time, the downturn *also prompted a more* fundamental revaluation of UK shares. These, it is worth remembering, enjoyed an extraordinary rise of nearly 50 per cent from the start of this year to the market's peak in mid-July, while corporate earnings growth was far more modest.



And that was on top of a 20 per cent rise in the indices in 1986.

For many months the more bearish — and long-memoried — of City analysts had been shaking their heads and arguing that on the traditional investment fundamentals, such as price/earnings ratios and the yield gap between gilts and equities, the London equity market was over-valued, along with the other major world exchanges. The froth needed blowing off but as long as share prices kept rising, or at least marching sideways, the Cassandras did not have a very responsive audience.

While equities spent the week plunging downwards in search of a new equilibrium, very different scenes were taking place in the gilts market—and indeed in the wider international bond markets.

After months in the doldrums because of fears of inflation, bonds were suddenly back in fashion. For one thing, the safety of fixed interest securities seemed a natural home for at least part of the funds deserting the beleaguered equity market. For another, the focus of American concern shifted away from inflation (where anxiety was now deemed to have been overdone) and towards recession.

Gilts appeared as resilient, thanks to the relative strength of the economy and of sterling, the diminishing public sector borrowing requirement and the still modest level of inflation (though there were some poor UK bank lending statistics this week, quicklv buried by the confusion of the markets).

Even before yesterday's base rate cuts, the trend of UK interest rates had been down.

All of this, taken with the plunge in equities, means that gilts and ordinary shares are now back somewhere approaching their traditional relationship. During the turmoil of the past five days the Footsie index has on several occasions fallen to around 1,750, but it has always rallied at around that level, which several analysts are now regarding as an important floor.

That is still 71 points above the level at which the index entered 1987. And as Nicholas Knight, of brokers James Capel, points out, the ratio between the yield on long bonds and equities *has now been cut* to under 2.5, compared to 3.34 on October 2, a seven-year average of 2.4 and a low over the same period of 1.9. He argues that once an examination of the fundamentals replaces panic the market will be seen to have very solid foundations around this level, with *scope for* a *gradual* rise back towards 2,000.

Martin Dickson

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated				
Abberdeen Canst	350†	323	340	57.92	Raine Inds
Allebone & Son	120*	111	97	34.88	Charterhall
Aspinall Hldgs	173†	165	185	89.96	Walker (Alfred)
Berisford (S.& W.)	400*§	377	349	767.00	Assoc Brit Foods
Bremall (C. D.)	646.66†	638	548	87.09	Avis Europe
Brown (Matthew)	750†§	729	715	185.58	Scot & Newcastle
CPU Computers¶	92*§	84	89½	14.92	Scoa
Equity & Law	452*§	438	350	451.80	Brierley Invs
Equity & Law	455.6	438	350	457.42	Cmpgnie Du Midi
ERIC	405*	380	300	14.00	TR Energy Res
Hampton Trust	120*	110	116	100.60	Aurora
Hill Samuel	810*	775	684	777.00	TSB
IBL	41*	38	59	29.42	Inspect Intl
Intl Signal	166	153	219	283.46	Ferranti
Minty	550*	550	650	11.09	Priest Marians
Powerline Intl¶	155.8†	140	153	18.94	Chloride
Samuelson	180†	168	137	38.97	Eagle Trust
Stewart Wrightsn	448	618	500††	197.84	Willis Faber
Storehouse	341	311	349	1.37bn	Benlox
Tech Compt Inds	368	470	478	21.14	Baynes (Charles)
Wills Group	190*§	184	186	17.15	Australian Inv Cp
W'dhse & Rixson¶	*109.33†*	*100*	*91*	13.08	Jhnsn & Fth Bwn

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on 2.30 pm prices 23/10/87. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ‖ Loan stock. ‡‡ Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Barrett, Henry	Aug	1,930	(1,360)	8.5	(6.0)	0.8	(—)
Bezzer, C. H.	June	73,300	(31,100)	20.1	(17.2)	5.4	(4.7)
Christy Hunt	June	258	(13)L	3.0	(0.8)L	0.5	(—)
GR Holdings	June	2,180	(1,240)	—	(—)	9.6	(6.0)
Granville	Mar	635	(514)	—	(—)	—	(—)
Highland Dist	Aug	12,050	(10,320)	6.4	(1.2)	2.4	(2.2)
Highland Elec	April	745	(1,060)	—	(—)	2.5	(2.5)
Leisure Inv	June	1,860	(808)	4.3	(3.0)	1.4	(—)
Man & Lon Inv Tst	July	162	(40)	10.6	(2.1)	3.0	(1.5)
Manganese Bron.	July	3,430	(2,360)	—	(—)	4.5	(3.2)
Paterson Zach	May	33,260	(42,290)	42.7	(42.0)	7.1	(6.5)
Scottish Met Prop	Aug	7,810	(7,070)	5.3	(4.7)	4.6	(4.2)
Sinclair, William	June	1,890	(1,150)	20.4	(11.9)	6.8	(5.1)
Tottenham Htsprs	*May*	330L	(730)L	10.15	(7.2)L	4.0	(—)
Wehmiller, Barry	July	3,670	(1,700)	15.7	(8.4)	2.0	(—)
Wolseley	July	75,230	(50,250)	49.2	(41.4)	14.0	(11.5)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aitken Hume	Sept	3,910	(2,690)	1.5	(—)
Ambrose Inv Tst	Sept	470	(384)	4.4	(—)
Anchor Chemicals	June	1,170	(673)	2.5	(1.2)
Atlas Converting	June	1,010	(569)	2.5	(—)
Barlows	June	11	(6)L	—	(—)
BDA Holdings	July	459	(189)	1.0	(—)
Beradin Holdings	June	76	(6)	—	(—)
Boot, Henry	June	981	(740)	5.0	(3.0)
British Amer Film	June	319	(300)	2.0	(1.9)
Chillington Corpn	June	2,030	(1,100)	2.6	(2.3)
Comp Finan Serv	June	494	(213)	1.3	(0.8)
Conrad Holdings	June	239	(101)	1.0	(1.0)
Davies & Newman	June	3,160L	(3,480)L	4.0	(3.0)
Derwent Valley	June	818	(105)	0.7	(0.7)
Edinburgh Inv Tst	Sept	12,750	(13,420)	1.6	(1.5)
Feedex Agric	June	78	(502)	—	(—)
Ferguson Ind	Aug	5,060	(4,008)	3.4	(3.1)
First Charlotte Ass	Sept	15	(56)	—	(—)
GRA	June	853	(548)	—	(—)
Hammerson	June	27,020	(22,260)	3.0	(2.0)
Harris Queensway	July	5,500	(20,450)	1.7	(1.7)
Hawker Siddeley	June	73,100	(72,100)	5.5	(5.0)
House of Lerose	June	702	(755)	3.0	(3.0)
Jitra Rubber	June	5	(36)	—	(—)
Lanca	June	293	(193)	—	(—)
Lendu Holdings	June	19	(36)	1.5	(—)
LEP Group	June	4,200	(3,100)	1.2	(1.0)
Runciman, Walter	June	1,320	(919)	3.0	(2.5)
Scmare	June	89	(275)	—	(—)
Sharpe & Law	June	229	(151)	1.0	(—)
Silentnight	Aug	3,310	(1,430)	—	(—)
Sunleigh Elec	July	854	(476)	0.2	(0.1)
Vivat Hldgs	June	3,610	(3,950)	1.0	(0.8)
WA Hldgs	July	685	(564)	0.4	(—)
Walker, J. O.	June	309	(37)	2.5	(2.0)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. L Loss.

RIGHTS ISSUES

Feedex will raise £1.8m via a rights issue of 44.2m new ordinary Feedex shares at 45p at the rate of 38 new shares for every 100 held.

Lendu Holdings is to raise £1.2m via a rights issue—on the basis of one new share for every seven.

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS

Record is to return to the Stock Market via a placing which will value the company at £22m.

Tabular Exhibitions is coming to the USM via a placing of 12.5m ordinary shares on behalf of certain former shareholders and 7.5m new ordinary shares on behalf of the company. The shares will be placed at 20p.

ICI heads for the billion

Results due

ICI is expected to report that pre-tax profits in the first nine months of 1987 passed the £1bn level when it reveals third quarter results on Thursday.

Analysts are looking for the company, led by chairman Denys Henderson, to add about £315m to the £691m it made in the first six months. In the third quarter of last year it *made £256m.*

They will perhaps be hoping for some soothing words on its prospects in the US. Fears over ICI's exposure to North America and the dollar have led to the company's shares underperforming the market during the traumas of the last week.

In the third quarter trading was strong and summer seasonal weaknesses were less pronounced than usual in key areas like petrochemicals, plastics and agrochemicals. Sales are likely to have been about *£2.73bn, against £2.41bn last* time.

Analysts are expecting pre-tax profits of about £176m when **MARS & SPENCER** reports interim figures on Wednesday, compared with £153m last year.

ICI's Denys Henderson

Though the unkind May and June weather will have affected clothing sales, the sun had shone (remember?) at Easter, giving sales a boost, and improved weather in July should have brought the company back on budget.

Margins are continuing to edge ahead as the expansion and modernisation programme continues and the M&S remains the core holding in the retail sector.

At least a fifth of the £105m full-year pre-tax profits (a 10.5 *per cent rise) which the City* expects on Monday from **LUCAS INDUSTRIES** is accounted for by the motor and aerospace components group's famous holiday on pension contributions because schemes had been over-funded by the bull market.

It is not surprising that Lucas shares have underperformed the FT-All Share by 10 per cent in this blackest of weeks. Any actual impact on results is at least two years away, which gives the market plenty of time to recover but the uncertainty underlines the growing feeling that, far from being a boring metal basher, Lucas is actually quite a risky share—though it has commensurate scope to outperform if its evolving strategy (not dissimilar to that nearing completion at TI Group) pays off.

The City's ears accordingly will be closely tuned to Tony Gill's maiden statement as chairman and chief executive in which he is expected to unveil his preliminary verdict after a *wide-ranging review of the* group's activities. The spotlight will continue to focus on aerospace; the less about the automotive side said the better if Lucas wants to get a good price for the remaining operations.

McKECHNIE, the plastics, metals, and consumer products group, *is expected to pre-tax* profits of about £26m on Monday for the year to the end of July. This is well up from the £19m reported last year and reflects both the lower cost of raw materials and buoyancy in McKechnie's principal markets.

The briskness in UK house building, automobiles, and consumer goods markets all translates into higher sales for the group, and pre-tax profits in the consumer goods division alone should be up sharply from £3.3m to well over £5m.

The metals engineering side of the business should also have performed strongly, owing to a drop in energy prices and cheaper raw materials. Former copper prices will help avoid the stock losses of last year.

The City is confidently expecting interim results from the **FR GROUP**, which makes equipment for the aircraft, energy and electronics industries, to reveal a 45 per cent rise in pre-tax profits of some £10m or even slightly more.

In the six months to June 30, pre-tax profits rose 21 per cent to £7.2m on turnover of £46.08m. Analysts describe FR as a company showing "consistent profitability"—that is, experiencing underlying growth of 20 per cent or more, withoux taking recent acquisitions into account. The *purchase of the* Carleton Components division of Moog of the US for $30m—£18.42m—cash will not yet have had any impact on growth figures.

LAST WEEK'S FALLS

The following table shows the percentage change in the FT 30-share index and its constituents over the past week. The FT-SE 100 index is also shown.

	Price yesterday	% change since 15/10/87	1987 High	1987 Low		Price last Thurs	Change on week	1987 High	1987 Low
FT Ord Ind	*1396.8*	−22.9	*1926.2*	*1320.2*	Grand Met	431	−24.4	605	426
ASDA-MFI	165	−15.4	226½	142½	GKN	307	−24.4	389	258
Allied-Lyons	341	−19.8	471	290	Guinness	286	−29.8	389	256
BICC	344	−15.3	436	269	Hanson Trust	129	−25.0	195½	116
BOC	386	−20.4	559	263	Hawker Sidd	426	−26.9	630	419
BTR	283	−26.9	374	260	ICI	£11½	−27.5	£16½	£10¾
Beecham	482	−25.7	589	358	Lucas Ind	527	−31.1	795	465
Blue Circle Inds	344	−27.3	579	331	Marks & Spencer	212	−15.5	280½	180
Boots	231	−22.2	329½	226	NatWest Bank	610	−18.5	794	488
British Gas	147	−12.8	200	186	P & O	470	−31.7	776	515
BP	288	−17.7	416	238	Plessey	167	−22.7	258	162
British Telecom	227	−12.7	337	206	Royal Insce	413	−22.8	595	388
Cad Schweppes	224	−19.1	291	119	Tate & Lyle	691	−23.4	944	569
Courtaulds	388	−22.6	535	304	Thorn-EMI	525	−26.8	830	468
GEC	193	−16.8	251	182	Trusthouse Forte	211	−24.4	293	179
Glaxo	£11¾	−17.0	£18½	£10½	FT-SE 100 Index	1795.2	−22.0	2443.4	1674.5

Still a small voice of calm

Junior Markets

FAIRWAY, a small printing company, is joining the USM on Monday, by way of a placing.

A week ago, this would have barely excited comment, but after five days of unpredented turbulence in financial markets great and small, this must be considered an act of extreme bravery. Several other promising new issues were pulled as the USM imitated the main market and lurched up and down like a rollercoaster.

However, Fairway prints contract notes used by stockbrokers and no doubt believes the market maelstrom and exceptional volume of trade has concentrated investors' minds on the merits of its products.

Whether the shares will on the customary premium, it is impossible to say. Nor is it easy to speculate on the future course of the junior markets as the analysts peer into the entrails of the last week in the hope of finding some method in the madness.

Overall, the USM appears to have weathered the storm with slightly greater tenacity than the main market. While the *FT All Share index fell* by 19.9 per cent over the week to yesterday morning, the USM index was down by 18.3 per cent.

The worst performers were thise companies which might be described as "special situations," where share ratings had risen to lofty heights in anticipation of far distant profits associated with the presence of redoubtable management. The *best* was a small financial services group, Johnson Fry.

Acsis Jewellery did worst of all, falling by 42 per cent over the week. The shares had risen tenfold in the space of a week or two at the end of June after it was announced that Darryl Phillips, the South African entrepreneur, had taken a stake and intended to transform the company by acquisition.

Shares in Marina Development Group also fell by over 30 per cent. Like Acsis, the company had enjoyed an undistinguished stock market *career until a consortium of* highly regarded managers took a stake earlier this year, saying that they intended to exploit its neglected property assets and move into the storage business.

Dewey Warren, the Lloyd's insurance broker through which *Robert Holmes a Court* holds over 5 per cent of Morgan Grenfell, fell by 38 per ecnt.

If its association with the troubled financial services sector afflicted the vehicle of the Antipodean entrepreneur, it did not stop Johnson Fry, the leading Business Expansion Scheme advisor, from posting a 7 per cent gain over the week.

Marion MacBryde of Hoare Govett observed that much in the fall in the USM overall was *attributable* to the handful of relatively large companies like Local London and Stanhope Properties.

Shares in the many smaller companies are infrequently traded at the best of time and subject to wild price fluctuations on the back of small transactions but in the larger companies there is at least a degree of marketability.

The larger companies tend to be the better quality ones, so it might seem paradoxical that they bore the brunt of the selling. The fact is that it would be impossible to sell large *stakes in the little companies* even if investors wanted to. In most cases institutional investors do not, treating their holdings as a form of long term risk capital.

David Waller

Pending Dividends

Company	Announcement *due*	Dividend (p)* Last year *Int.*	Final	This year Int.
FINAL DIVIDEND				
Arenson Group	Thursday	—	1.1	—
Bennett and Fountain	Thursday	—	0.6	—
BM Group	Friday	0.7	1.0	0.9
Briket Group	Thursday	1.7	2.5	0.7
Cooper, Frederick	Thursday	—	—	—
Fundinvest	Friday	2.7	4.8	3.4
ICI	Thursday†	14.0	36.0	—
International City Holdings	Monday	3.0	6.0	3.0
Japan Assets Trust	Tuesday	—	0.05	—
Lucas Ind.	Monday	2.6	10.4	2.6
Majedie Inv.	Tuesday	2.0	4.2	2.0
McKechnie	Monday	3.0	7.0	3.3
Microfilm Repro.	Tuesday	0.7	1.3	1.0
National Home Loans	Friday	0.7	1.1	—
Pressac Hldgs.	Tuesday	0.7	1.8	—
Really Useful Group	*Tuesday*	3.7	7.5	4.1
Shell T and T	Monday†	13.5	29.5	—
Smart, J.	Thursday	1.3	3.4	1.4
Tysons (Contractors)	Thursday	—	—	—

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
INTERIM DIVIDENDS				
Airflow Streamlines	Thursday	0.2	2.7	
Anglo Eastern Plan	Friday	—	—	
Blackett Hutton	*Thursday*	—	—	
Brown, N.	Tuesday	2.2	5.2	
Burtonwood Brewery	Thursday	0.6	2.3	
Capital Gearing Trust	Thursday	—	0.2	
Central & Sherwood	Friday	—	—	
Chesterfield Prop.	Wednesday	—	12.0	
Clarkson, Horace	Thursday	2.0	2.7	
Clayton Son and Co.	Friday	2.0	7.0	
El Oro Mining and Expln.	Wednesday	—	4.8	
Elliot, B.	Wednesday	1.0	2.0	
English National Inv.	Wednesday	—	3.6	
Exploration Co.	Wednesday	—	2.5	
Forward Group	Monday	—	—	
FR Group	Wednesday	—	3.8	
Grand Central Inv. Hldgs.	Friday	0.2	0.3	
Marks and Spencer	Wednesday	1.4	3.1	
PCT Group	Wednesday	1.8	2.0	
Portsmouth and Sun. News	Friday	1.0	1.0	
R.E A. Hldgs.	Friday	1.1	3.3	
Rockware	Wednesday	—	0.7	
Royal Trust Yen Bonds Fund	Friday	—	—	
Sec. Trust of Scotland	*Monday*	1.0	2.0	
Shiloh	Wednesday	1.5	2.5	
Stormgard	Wednesday	—	—	
Thomson Organisation	Friday	—	—	
Usher-Walker	Monday	2.4	5.6	
Underwoods	Monday	1.0	1.5	
Viking Resources	Monday	0.5	1.4	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Third quarter figures.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 27%	45%	60%	Frequency of *payment*	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	3.30	3.35	2.49	1.81	monthly	1	—	0-7
High interest cheque	5.60	5.75	4.22	3.07	monthly	1	1,000-4,999	0
High interest cheque	6.00	6.17	4.52	3.29	monthly	1	5,000-9,999	0
High interest cheque	6.40	6.59	4.82	3.51	monthly	1	10,000-49,999	0
High interest cheque	6.70	6.91	5.05	3.67	monthly	1	50,000 minimum	0
BUILDING SOCIETY†								
Ordinary share	5.00	5.06	3.81	2.77	half yearly	1	1-250,000	0
High interest access	6.75	6.75	5.09	3.70	yearly	1	500 minimum	0
High interest access	7.00	7.00	5.27	3.84	yearly	1	2,000 minimum	0
High interest access	7.50	7.50	5.65	4.11	yearly	1	5,000 minimum	0
High interest access	7.75	7.75	5.84	4.25	yearly	1	10,000 minimum	0
90-day	7.75	7.90	5.95	4.33	half yearly	1	500-9,999	90
90-day	8.00	8.16	6.15	4.47	half yearly	1	10,000-24,999	90
90-day	8.25	8.42	6.34	4.61	half yearly	1	25,000 minimum	90
NATIONAL SAVINGS								
Investment account	10.00	7.30	5.50	4.00	yearly	2	5-100,000	30
Income bonds	10.50	8.04	6.06	4.41	monthly	2	2,000-100,000	90
Deposit bonds	10.50	7.67	5.78	4.20	yearly	2	100-100,000	90
33rd issue‡	7.00	7.00	7.00	7.00	not applicable	3	25-1,000‡	8
Yearly plan	7.00	7.00	7.00	7.00	not applicable	3	20-200/month	14
General extension	6.51	6.51	6.51	6.51	quarterly	3	—	8
MONEY MARKET ACCOUNTS								
Schroder Wagg	6.58	6.78	5.11	3.72	monthly	1	2,500 minimum	0
Provincial Trust	7.34	7.66	5.77	4.19	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
5pc Treasury 1986-89	8.54	7.14	6.20	5.42	half yearly	4	—	0
8pc Treasury 1992	9.59	7.35	5.86	4.62	half yearly	4	—	0
10.25pc Exchequer 1995	9.82	7.09	5.27	3.76	half yearly	4	—	0
3pc Treasury 1990	7.84	6.97	6.39	5.91	half yearly	4	—	0
3pc Treasury 1992	8.07	7.15	6.54	6.03	half yearly	4	—	0
Index-linked 2pc 1992¶	8.05	7.48	7.11	6.80	half yearly	2/4	—	0

* Lloyds Bank. † Halifax 90-day; immediate access for balances over £5,000. ‡ Special facility for extra £5,000. § Source: Phillips and Drew. ¶ Assumes 4.5 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

You can run but you can't hide

World Markets

THE SLUMP in share prices on Wall Street has spread around the world with frightening speed over the past few days. Even those countries which seem far removed from the financial turmoil in the US have seen a sharp setback in their local markets.

There are two main explanations for this contagion. The first stems from the old cliche about what happens when the US catches a cold. Falling equities and rising bond prices in New York have been telling a chilling story about the threat of an economic recession — and the impact of that would be felt all around the world.

Another explanation is the fact that in the past few years the world's stock markets have become increasingly integrated. Economic, technological and regulatory changes have transformed the international financial landscape, and equity investors have been shifting their money across each other's borders in an unprecedented fashion.

According to an analysis by Salomon Brothers, international trade in equities jumped by two-fifths to nearly $750bn in 1986, and the figures climbed steeply again in the first nine months of this year, as fund managers hunted for bargains in the most obscure corners of the world.

Just as all the world's markets climbed together during the prolonged bull market which *has now ended in* such a spectacular fashion, so they have now fallen together. News of a steep fall in New York would knock prices back in early trading on Tokyo, and Tokyo's declines in turn would hit sentiment in London. It felt at times almost like an unstoppable spiral.

There really has been nowhere to hide, as the table (which only goes up to the close of trading last Thursday) makes clear — though of course the scale of the setback has varied from country to country. The size and liquidity of a particular market relative to its domestic economy has obviously been relevant. Thus there has not been much of a setback in Austria, where the equity market plays a minor role in *the economy, and for similar* reasons West Germany also seemed to be coming through with relatively little damage.

The main victims were those markets which had climbed the furthest during the latter stages of the bull run, and those which have the closest links with the US economy. An obvious candidate for the chop on both counts was Mexico. Share prices there had boomed ahead in the most incredible way over the previous 12 months, with the FT-Actuaries Mexico Index rising from 100 at the beginning of January to a peak of over 420. Given the importance of US trade to the local economy, it is small wonder that share prices there *have* been in a nosedive.

There are similar explanations for the very poor short-term performance of markets like those in Singapore and Malaysia. Nearly a third of Singapore's exports go to the US, and the prospect of a strong recovery in corporate earnings had fuelled a powerful bull market from the low point touched in the spring of 1986.

But the country which has had everyone's attention in the past few days has been Japan, which now vies with the US for the title of the biggest stock market in the world. For months past there has been growing concern in Europe and the US about the giddy heights of Japanese shares, which at one stage were trading on an average p/e ratio of over 60. Foreign investors have been shunning the market, on the view that if there was a risk of financial calamity anywhere in the world, it was probably to be found on the floor of the Tokyo Stock Exchange.

As it happened, Tokyo has fallen less than other major markets. And although there have been periods of heavy selling, there have been moments of eery calm as well.

The oddest was on Monday, when Tokyo appeared locked into some freeze frame in immobility while confidence in other markets all around the world was draining away. Trading volume was limited even when prices were sliding, because exchange rules mean teat shares ars suspended if the number of sellers gets out of hand.

The authorities have done their formidable best to prevent a run on share prices developing, with the Ministry of Finance and the Bank of Japan well to the fore in urging "resposibile" behavior and offering comforting advice. On Tuesday, it was reported that the big four securities firms — Nomura, Daiwa, Nikko and Yamaichi — had been informally asked to provide support, while the main business newspaper was reporting on Thursday that the new prime minister intended to expand domestic demand in the economy.

But foreign investors have not been much impressed. The London market in Japanese equity warrants halted trading on Thursday morning, having been overwhelmed with sell orders. And looming up on the horizon is the next jumbo listing of shares in NTT, the telecommunications giant. This has been scheduled for the second week in November, and with proceeds estimated (at least until this week) at well over $30bn, it stands to make the BP offer look like small potatoes.

Still in the Far East, the relatively modest decline in Hong *Kong gives a quite misleading* impression of what has been happening in the colony. The authorities decided at dawn on Tuesday to close the market until Monday, a decision which at first appeared to be no more than a clumsy overreaction of a type which would threaten Hong Kong's claim to be an international financial centre.

But as the week wore on, there appeared to be more sinister explanations for the closure. Speculators in the futures market apparently face large losses as a result of trading in futures contracts on the Hang Seng Index, on a scale that potentially threatens serious defaults. Late in the week it was announced that Hambros Bank had been hired to advise the Hong Kong authorities on ways of dealing with the crisis. In a week of nasty stories, this sounds like one of the worst.

Swinging to the southern hemisphere, there has also been heavy selling in Australia. The market there had been boosted by renewed confidence in the Government's fiscal and monetary policies, and by the strength of *natural resources* stocks, especially those with gold mining interests. At its high point this autumn, the FT-Actuaries Australia Index was 81 per cent up on its January levels.

Opposition politicians are now claiming that the whole basis of the forecasts on which the recent balanced budget was built has been shot away. And a country which is still so heavily dependent on the agricultural and mineral sectors is obviously seen as being vulnerable to flutters in the world economy.

Shares which have been especially hit in the carnage have been those controlled by those high profile entrepreneurs which have been so visible on the international scene in the past year or two. The capitalisation of Robert Holmes á Court's Bell Group fell by about two fifths in the fortnight to this Thursday, and so did that of Rupert Murdoch's News Corp.

Businessmen like John Elliott and Larry Adler announced that they had become buyers at bargain prices; shades of old John D. Rockefeller and his homily about buying high grade common stocks after the crash of 1929. As someone said, he was the only one who could afford to.

Back in Europe, the slide in some of the larger markets had started well before the main upset. In France, for instance, the mood had turned distinctly gloomy in September, as a result of political uncertainty and a rather worrying economic outlook — with inflation rising and a wobbly currency.

Italy, too, had been in a weak patch, thanks in part to rising interest rates and slower earnings growth. Denmark and the Netherlands had also underperformed, but foreign buyers had been moving into Switzerland and Norway, and both these markets have suffered severe declines in the past couple of weeks.

Share prices in Canada had been lifted by the rise in commodity prices and the competitive benefits of the dollar's decline: Goldman Sachs had estimated a 35 per cent rise in company profits during 1987. But prices were already beginning to come off the boil in the early autumn, and they have cracked back sharply this week.

Even the traditional bolt *holes have provided no shelter.* The FT Gold Mines Index dropped by nearly a tenth in the first four days of the week, and on Thursday night it stood a fifth below its August penks.

Richard Lambert

FT-ACTUARIES WORLD INDICES

Country	% change from 1987 high point	US $ % change since Oct 9
Australia	−29	−25
Austria	− 6	− 6
Belgium	−16	−10
Canada	−25	−20
Denmark	−11	− 9
France	−25	−15
W Germany	−17	−13
Hong Kong	−16	−14
Ireland	−25	−25
Italy	−23	− 9
Japan	−15	− 8
Malaysia	−29	−23
Mexico	−30	−26
Netherlands	−24	−19
New Zealand	−22	−18
Norway	−25	−23
Singapore	−28	−27
S Africa	−18	−14
Spain	−12	−11
Sweden	−15	−15
Switzerland	−20	−19
UK	−23	−22
USA	−26	−20

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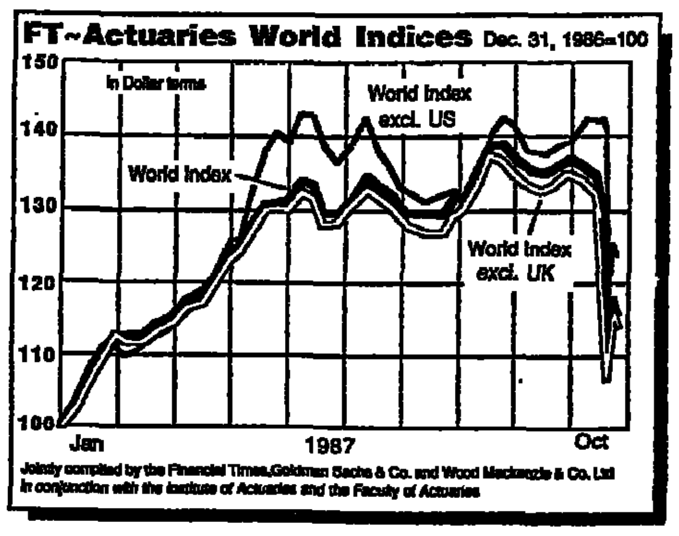
FT~Actuaries World Indices Dec. 31, 1986=100



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The worst is yet to come

Wall Street

"YOU AIN'T heard nothin' yet." For many years those celebrated words have been associated with Al Jolson's shout of joy at the end of The Jazz Singer, the first-ever talking picture, released half way through the bull-market euphoria of the 1920s.

But when Fred Zuckerman, the widely respected Treasurer of Chrysler Corporation, said "you ain't seen nothing yet" in an official statement on Thursday, there was nothing enthusiastic about his meaning. His comment came in explanation of Chrysler's announcement that its pension fund was cutting its exposure to the equity market almost by half.

Zuckerman said he was "almost positive" that "a horrendous bear market" had now begun. Nobody who has read this column over the past 12 months will be surprised that Zuckerman is being singled out for special attention, while little heed is being paid to the hundreds of corporate chieftains shouting from the rooftops about the irrationality of the crash and the inevitability of a rebound.

The very fact that pessimists like Mr Zuckerman remain a small minority, is one of the strongest reasons for expecting the debacle on stock markets around the world to continue. This statement is based not just on the kind of knee-jerk contrarianism which has led so many investors disastrously astray in the past few months, for it is not just amateur psychology which suggests there remain far more weak holders to be flushed out of the market, and that the process is more likely to take months or even years, than days.

There is one crucial question in assessing the widespread predictions of a near-automatic *rebound from current "over-sold"* conditions: is the market's recent collapse the "irrational excess," or was the irrational excess the stratospheric height which the market reached earlier this year?

The reasons for pessimism are at least four-fold. The first is obvious: despite their record falls, stock prices are still much higher today than almost anybody imagined possible two or three years ago. Price/earnings rations and dividend yields are still at peak-of-the-market levels by historical standards.

There seems to be no allowance at all in the mirket prices for the probability—indeed, the inevitability — of a recession wthin the next few years. Most importantly, perhaps, there are still huge profits to be taken by those investors who were lucky enough to get into the market more than a year ago.

On the macroeconomic front, nothing has happened to justify the massive revaluation of asset prices which took place in the past two or three years. It is particularly important to see this point in a worldwide perspective. Looking at the US economy alone, a very important bullish factor has come into play since early 1985, when the dollar started tumbling from its cripplingly overvalued level.

The gains to US industry should have been offset exactly by losses in Japan and Europe; but, far from plunging, in response to the new international trading conditions, stock prices round the world, and in Japan particularly, rose even faster than they did on *Wall Street. And it was the* previously unthinkable valuation of companies at 40, 50 or even 100 times earnings in Tokyo which was largely responsible for sustaining the levitation on Wall Street.

This points to the third reason for caution about the future. The Japanese market, which is now crucial to the stability of the whole world financial system, and certainly holds the key to share valuations around the world, is still living in cloud ccokoo land. The market in Tokyo, despite having been infected with far more speculative excesses than any other in the world, is still only 15 per cent off its all-time *high, while* Wall Street has plunged by 30 per cent.

This brings us to the last and most immediate reason for concern. Far from accepting a gradual adjustment to reality in stockmarket prices, the world—and Tokyo particularly—seems determined to stave off the evil day of reckoning.

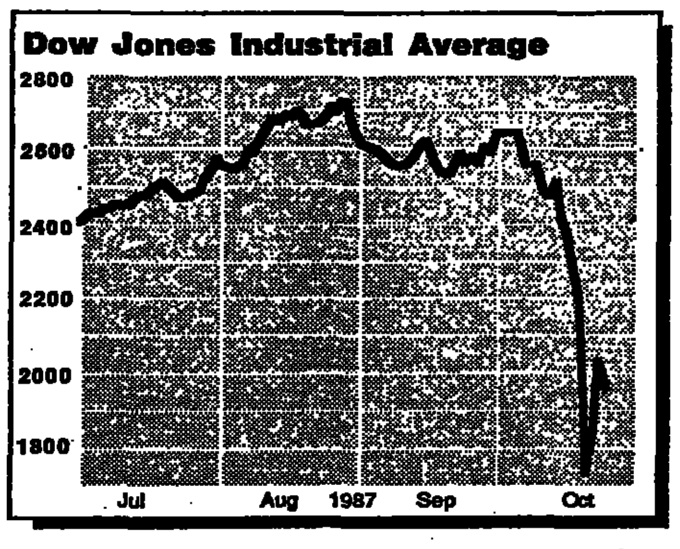
In the US corporations whose overburneded with debt and in balance sheets are already poor share to withstand recession are announcing stock buybacks in unprecedented numbers in order to boost their flagging share prices. And round the world, the retail stock brokers' switchboards are jammed by retail bargain hunters.

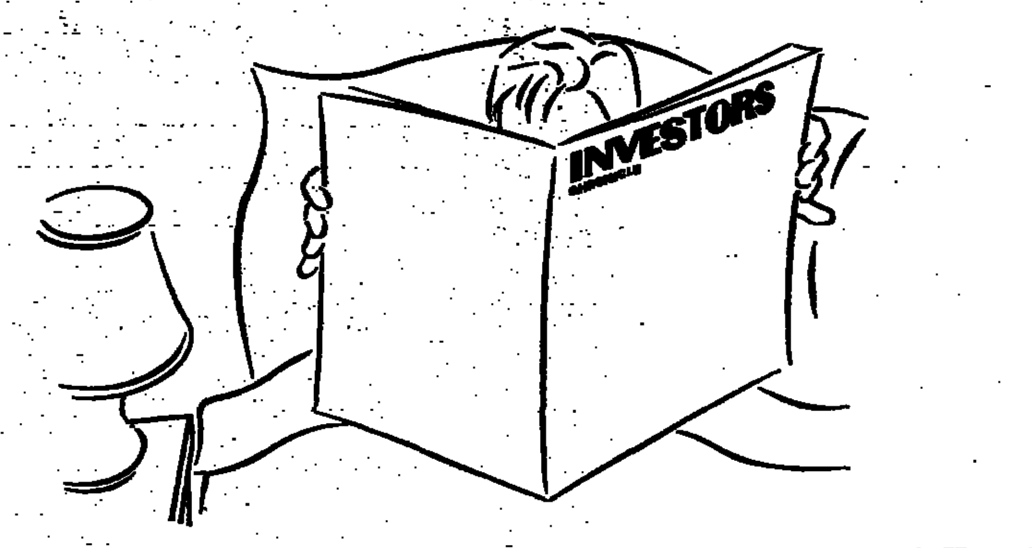
Of course, another collapse of 500 points or even 300 points in a single day is most unlikely. There seems to be little dobut that the scale of Wall Street's recent swings was greatly exaggerated by factors like computerised arbitrage in the futures markets and stop-loss "*portfolio* insurance."

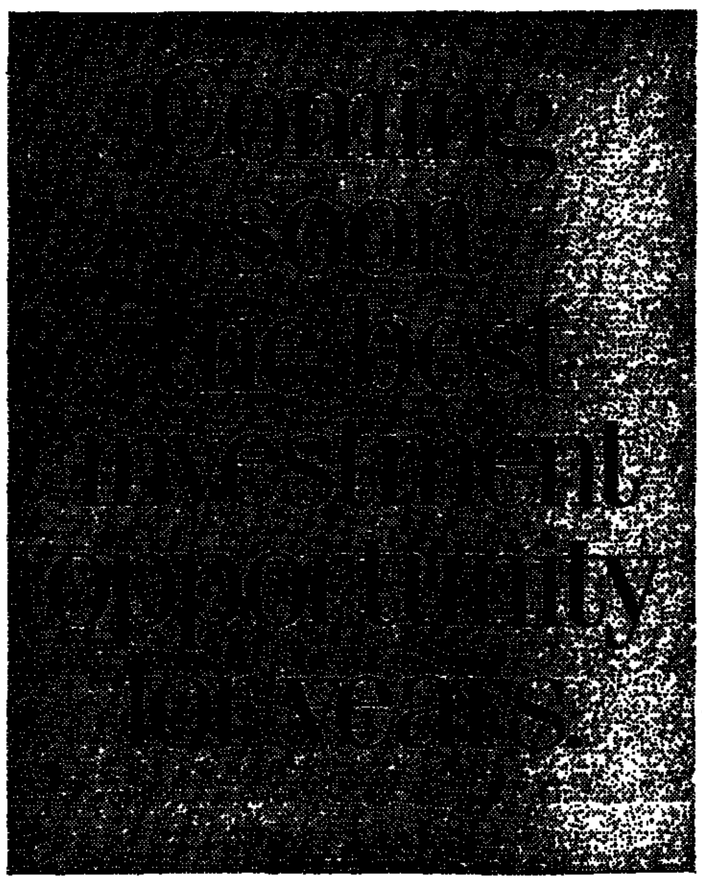
MONDAY	1738.74	−508.00
TUESDAY	1841.01	+102.27
WEDNESDAY	2027.85	+186.84
THURSDAY	1950.43	− 77.42

Anatole Kaletsky

Dow Jones Industrial Average







Richard Tomkins on the problems facing new investors

As BP bites the dust...

ONE DOES not have to be an informed City analyst to appreciate that the outlook for the £7.2bn British Petroleum share offer is grim, to say the least.

When the price of the offer *was announced 10 days ago,* BP's already-quoted shares were trading at 347p, so the issue price of 330p a share looked a bargain.

But as stock markets collapsed this week, BP's existing shares went into a nosedive. On Tuesday, the day the prospectus for the issue was published, they plummeted to 285p, making the 330p offer price look ludicrously expensive.

In spite of a partial rally in the days that followed, by last night's close the existing shares were *still far below the offer* price at 287p. On that basis, Britain's biggest-ever share offer looks set to become Britain's biggest-ever flop.

That judgment could yet prove a little hasty. The offer does not close until 10 am on *Wednesday morning, so if there* were a strong and confident recovery in the London stock market on Monday and Tuesday, BP's price could rise high enough to make the offer look attractive again.

It is also worth noting that the *existing shares do not* necessarily have to rise above 330p to trigger interest in the issue. Institutional investors could theoretically start moving into the new stock with the existing shares at anything over 310p, because they attach a value of around 20p to the partly-paid status of the new shares.

It would be unwise to count on it, though. After all, half the 2bn shares on offer have been reserved *for small UK* investors, and after this week's events in the stock markets, they seem unlikely to regard the issue with enthusiasm.

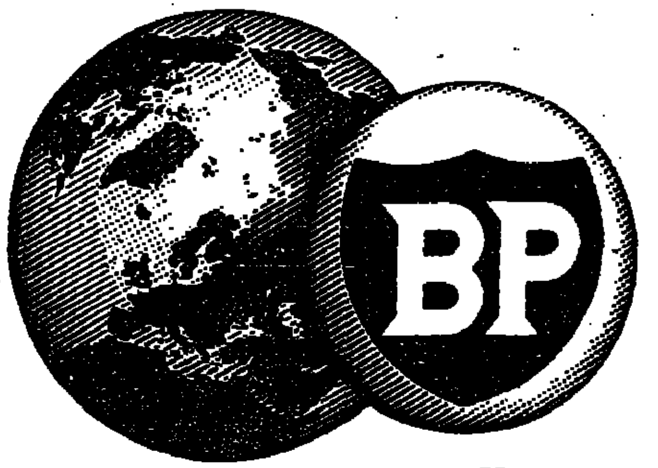
Those with long memories will recall a similar set of circumstances when another oil company — Britoil — was privatised in November 1982. Then, the Government had the misfortune to publish the prospectus for what was then Britain's biggest-ever share offering on the eve of a plunge in the oil price.

Consequently, some 70 per cent of the issue was left with the underwriters, and the shares, sold at 215p, sank to a *low of 157p over the next three* months. It was nearly seven months before the shares regained their issue price.

In BPs case, the institutions are keenly aware that a heavy undersubscription could produce a similarly depressing effect on the price.

There is another good reason why small investors should be extremely chary of the BP offer even if the price should rebound. Letters of allotment will not be posted to applicants until 10 days after dealings in the new shares begin, and most small investors will find themselves unable to sell their shares without this proof of purchase. That *means* they will be exposed over an uncomfortably long period to the most volatile market in recent memory.

The shares could still have some conceivable attraction to very long term investors. They will benefit from high effective *yields on the partly-paid stock* while they wait for their 1-for-10 loyalty bonus of shares in three years' time. But for everybody else, the message is simple and firm: steer clear.



HOW THE POPULAR ISSUES FARED

	Issue date	Issue price	Price on Oct 15	Price on Oct 22	Fall
British Telecom	3.12.84	130p	265p	222p	−16%
TSB	10.10.86	100p	150p	125p	−17%
British Gas	9.12.86	*95p	170p	142½p	−16%
British Airways	11.2.87	125p	221p	166p	−25%
Rolls-Royce	20.5.87	170p	208p	152p	−27%
BAA	28.7.87	*100p	150p	118p	−21%

*Paid-up price

...other privatisation stocks plummet

BRITAIN'S new shareholders experienced a novel and distinctly unwelcome sensation *this week as the plummeting* market wiped out large chunks of the profits they had made on privatisation stocks.

The number of shareholders in Britain has shot up from 2m to 9.4m since 1983, mainly because of the easy money to *be made out of government* issues which have been sold cheaply into a rising market.

But share ownership has not yet become part of popular culture. Most people still only hold shares in one or two of the privatised companies, so it is the price performance of these that they will have been watching this week.

It is interesting to see how their fates have varied. The wider market fell by 16 per cent over the week to Thursday, and shares in British Telecom, TSB and British Gas fell by almost exactly the same amount. But shares in British *Airways, Rolls-Royce and BAA* did much worse: indeed, Rolls-Royce shares are now at an 18p discount to the issue price.

One reason for the discrepancy is that the three earlier issues are all fairly solid UK-orientated stocks, whereas the three later ones are related to the volatile aerospace industry. The UK economy is looking *comparatively sound at the* moment, but the market fears that a downturn in the US economy could hit transatlantic air traffic, airport use, and demand for aero-engines.

Secondly, the share registers of the later three issues contain a *high proportion of overseas* investors.

Rolls-Royce has suffered particularly badly from this because the proportion of its shares in overseas investors' hands has recently been discovered to be above the maximum permitted level of 15 per cent.

So Britain's new shareholders *have now learnt by experience* what they have often been told, but probably found hard to believe: that shares go down as well as up. Could this spell trouble for the rest of the Government's privatisation programme?

Probably not. People have short memories and it is a full two years before the next big privatisation issue—electricity and water—are due.

It is the Government's good fortune that the crash came before people had filled in their BP application forms. There might have been trouble if large numbers of investors had *lost their shirts on the issue.*

The most serious short-term implication is for the government's sale of the second half of British Telecom, which some had speculated could come in 1987-88.

That might have to be delayed a *while* now, but no matter: the proceeds from further instalments on the British Gas, BAA and BP shares will provide virtually the whole of the Government's £5bn planned privatisation revenues next year.

Resources

Midas loses his touch

THE BEHAVIOUR of gold, and to a lesser extent the base metals, during the great stock market crash of 1987 has been puzzling and apparently perverse.

With the markets in turmoil, and tensions rising in the Gulf, gold and the precious metals might be expected to provide a safe haven for money.

And on Monday when the *equity markets fell off a cliff,* this expectation seemed well founded. The price of gold moved sharply up to $481 per oz and many traders believed it would easily breach $500, if the market remained unstable.

The next day, however, as equity markets *continued* their precipitous fall, the gold price seemed to lose its nerve. After an unprecedented collapse of Far East markets, the gold price opened $4 lower in London on Tuesday, then fell $25 in the afternoon, with the price of silver *losing* more than $1 in less than five minutes.

Since then the world's equity and financial markets have become, if possible, even more nervous, in spite of some rallies on both side of the Atlantic. Yet the price of gold has scracely benefited. *At Friday's morning* fix in London it was $473, a modest rise of 2 per cent compared with a week earlier.

By Thursday, prices of other metals were moving in sympathy with the *gyrations* of the equity markets, although to a subdued extent. *So what has* been happening? Why have investors who saw 25 per cent of the value of their share prices evaporate, not moved to the comparative safety of gold, or other commodity metals?

One answer, no doubt, is that *as uncertainty was piled upon* uncertainty many of the old relationships have been called into question. Is gold's monetary function basically a hedge against inflation rather than against a collapse in equity prices? If so what are the *implications of this week's* events for inflation and the dollar?

On Tuesday, these doubts were added to the more immediate difficulties of those financial institutions which were facing large margin losses *on equity trading. It seems that* a significant number sold gold stocks to provide immediate liquidity.

Rhona O'Connell, gold analyst at Shearson Lehman, believes that the apparently perverse behaviour of the gold price does in fact reinforce the view that it is still regarded widely as a hedge. On this view, the steady rise in the gold price since the begining of 1985, when it touched $300, reflected a growing unease *among some* investors about the levels to which world stock markets had risen. The hedge was therefore taking place before the crash, not afterwards. This would explain Tuesday's fall in price.

However any understanding *of the fundamental forces* at work in the market for gold and other commodities must be able to see through the distorting lens of the dollar.

Calculations by the World Bank suggest that every 1 per cent fall in the value of the dollar should lead to a rise in commodity prices in dolllars of about the same amount. This is basically because a fall in the dollar makes the commodity cheaper in other currencies, which will raise demand and tend to depress supply. *Although it is difficult to be* sure whether this happens in practice, the rise in metals and agricultural raw materials prices this year does seem to be related to the earlier weakness of the dollar.

In the case of gold, the rela*tionship is particularly interest*ing. Its dollar price fell by about a third between the end of 1982 and the beginning of 1985, at a time when the dollar was rising strongly. Gold's recovery since then of about the same amount has been roughly *in step* with the 28 per cent fall of the dollar's value against a trade-weighted basket of currencies compared with its average value in 1985.

So one could make a case that in an underlying sense gold has maintained a remarkably steady value through all these fluctuations in the outside world.

It may be, therefore, that gold is losing its special magic as an investment hedge and is behaving much like other commodities.

Max Wilkinson

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• FINANCE & THE FAMILY •

Experts in the world's main financial centres analyse the changed market scene

OVER the last few months, in the interval since late summer, the US economy and the securities markets entered into a zone of risks which did not at first affect the stock market but which had a profound effect on the bond market.

Our budget deficit was seemingly intractable, with the Congress *and the Administration* at an impasse. Given that fact, at that time it became clear that any move to reduce our trade deficit would bring in its train further inflationary pressures and, inevitably, higher interest rates. Inflation was already quickening, with the consumer prices moving up at about 5 per cent, and was expected to head higher next year—a level which, if sustained, would be beyond the limits of Federal Reserve tolerance.

Cutting the trade deficit through higher exports or lower imports without a parallel dampening in domestic demand would only intensify the demand pressures which were already surfacing in our product and labour markets. Protectionist measures would have a similar effect on prices.

Coupled with worries that continuing instability for the US dollar would discourage foreign interests from investing further in US securities, the bond market responded in classic fashion with a sharp retreat, and bond yields rose by 35 per cent before the stock market crashed.

Henry Kaufman, managing director and member of the executive committee, Salomon Brothers.

Left to right: Henry Kaufman, Nicholas Knight and Nobumitsu Kagami

THE "epicentre" of the crash in worldwide equity markets was clearly the US, where worse than expected US trade figures, declining confidence in the dollar, rising US interest rates, and unhelpful comments (later retracted) by US Treasury Secretary James Baker about the Louvre Accord, blasted the equity market out of the water. The relative unattractiveness of equities compared to bonds provided the scope for the downside move, *but the magnitude of the moves* around the world pays powerful tribute to the new forces of globalisation, options and futures markets, and the instantaneous and global dissemination of information.

A new era has truly arrived as a consequence of these factors. As for the future, the markets are likely to recover a fair proportion of the lost ground — the fundamental economic background remains broadly supportive, and problems of valuation have been corrected, quite literally, overnight. In the UK the combination of economic strength, corporate health, political stability and currency renaissance is fairly compelling to the global investment community running scared. *The market should be* significantly higher than the recent lows by the time of the budget next year.

Nicholas Knight, senior investment strategist, James Capel, London

NEW YORK, London and Tokyo fell like lemmings over the cliff this week. In Tokyo's case equities were already overbought relative to the bond market and a correction of around 750 had been anticipated for some time. In the event, the correction was exacerbated fivefold by the collapse in New York.

Until this week the Tokyo market had been generally very strong with investors pinning their hopes on expectations of a marked recovery in corporate earnings. Observers were in fact delighted that a transition from the earlier money-led market to an earnings-driven market was taking place smoothly. New York soon changed that and, although certain recovery has taken place, some nervousness will remain until a clearer statement of policy comes from the US Fed as to interest rates and the ideal level for the dollar.

Despite the anxiety caused by *these external factors*, together with rising bond yields, underlying confidence still remains strong. The seasonal October to December strength of the market should be maintained: during this period many fund managers look to make considerable gains in their portfolios so that profits in the next three months can be smoothly taken — thus allowing the year ending in March to close satisfactorily.

However, the dominant feature will be what happens in the US. Signs of stability on Wall Street and the fact that German and US officials have agreed to take positive action on monetary and exchange rate policies are encouraging factors, but a positive statement from *the Fed would go a long* way to dispelling the remaining uncertainties.

Nobumitsu Kagami, managing director of Nomura Investment Management Company (NIMCO), Tokyo.

THE THREAT of higher short-term rates worldwide has receded during the past week. Crucially, the Fed, intent upon backstopping the banking system and mindful of the new potent risk of US recession, is determined not to raise its discount rate.

The dollar remains vulnerable given the prospect of no near-term turnround in the US trade deficit and intensifying strains between G3 policy-makers regarding the distribution of adjustment burdens — notably the refusal of the US seriously to tackle the budget deficit. Looking increasingly frayed at the edges, the Louvre accord may yet fall apart.

The 1988 global growth prospect has taken a sharp turn for the worse. The slump in US stock prices looks set to cause the US consumer to retrench, with adverse knock-on effects both domestically and internationally. And certainly, nobody is willing to adopt a "locomotive" role for the world economy.

A worsened outlook for economic growth worldwide, coupled with a weaker dollar, will cause corporate earnings projections in all major markets to be chopped back, possibly very sharply.

Happily, the gloomier outlook for economic activity should dampen nascent inflation anxieties, in both the US and elsewhere. In particular, the commodity price upturn will be dampened, if not substantially reversed. The global environment remains a disinflationary one.

Ian Harwood, chief UK economist, Warburg Securities London.

THE WORST has been avoided, and there are two hopeful signs. The value of the dollar is gaining ground and US interest rates have been falling. These indicate that confidence in the US economy has not been lost; it is therefore unlikely that the current situation will lead to a panic.

However, if the conflict in the Gulf escalates to the point that the Strait of Hormuz is closed, and the price of crude oil rises, it may provoke concern that inflation will start to rise in the US. Also, if Japanese investors do not buy as many bonds as usual in the Federal Reserve's bond auction next month, US interest rates will rise sharply and the value of the dollar will fall quickly.

If something like this actually happens, there will be another great crash. Although I do not regard this as a likely scenario, it would be wise to remain cautious.

Kazuaki Harada, senior managing director, Sanwa Research Institute.

Return to go

Richard Lambert suggests that, in the present uncertainty, investors should re-think their ideas

THE SHOCK of this week's slump in share prices will continue to reverberate around the world's financial markets for many months to come. Easy assumptions about the nature of equity investment have been *shattered*, and confidence has been undermined. The evidence for this is everywhere to be seen. On Thursday morning, for instance, a brief rally in London was quickly reversed as sellers rushed for the exit.

In these conditions, investors are going to have to go back to the old fashioned fundamentals —concepts like yields, earnings and diversification, which seemed to have lost their relevance in the heady days of the summer.

Inevitably, there is now no shortage of people arguing with the wisdom of hindsight that share prices were grossly overvalued immediately before the crash. It is worth recalling the arguments which were being made at the time to support these high valuations.

The most important was that the UK corporate sector was healthier than it had been for years, both in terms of profitability and balance sheets — and further growth looked assured at least through to the end of 1988.

Barclays de Zoete Wedd, one of the firms which has been most pessimistic about the outlook for equities in recent months, has been looking for growth of very roughly a sixth in both profits and dividends in 1988, with more to come in 1989. That would follow profits growth of well over a fifth in 1986.

The prospect of dividend growth continuing to rise far in excess of inflation had a profound effect on the relationship between equities and gilt edged securities.

In real terms, *dividends* grew by 6 per cent a year between 1982 and 1986, so that investors became increasingly willing to accept a much lower current return on equities in exchange for the prospect of a rising stream of income in the future.

In addition the UK economy looked healthier than those of most other major countries in the world.

And by international standards, UK equities appeared reasonably priced. Based on its 1987 forecasts, Phillips and Drew had UK companies on a *p/e of* well under 15 in the late summer, compared with 18 in the US and over 60 in Japan.

Most of these positive arguments still hold good, at least for the short-term. The immediate outlook for British companies, at least for those outside the financial sector, should not be much affected by the events of the past two weeks, and industrialists have been making bewildered noises all week about what has been happening to their share prices. The CBI, for instance, dismissed the *crisis as a computer* creation which bore no relation to reality.

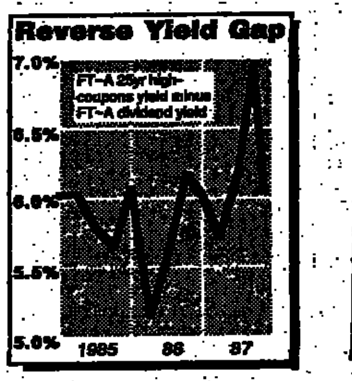
This view represents a complete failure to understand the nature of the problem. It is true that financial markets tend to get swept away, either by moods of euphoria or of depression. But they do not move in isolation from the real economy.

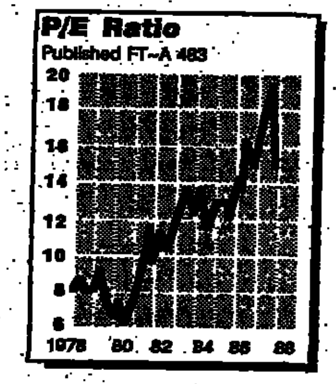
Share prices were swept up to what proved to be unsustainable heights by the very strong performance of the British economy. They have now been knocked hard backwards by external threats—of a kind which, unless they are effectively managed—will have a very real effect on the British economy.

It is quite clear how the markets perceive these threats. For most of this year, the main concern as reflected in falling bond prices and rising commodity prices has been about inflation. Now there is a real fear of recession.

This may turn out to have been taken too far in the panic of the past week. That must be the hope, because although UK share prices are no longer discounting a prolonged period of prosperity, they are not anticipating a worldwide slowdown.

In the face of these uncertainties, it may seem only prudent to look for ways of reducing the risks in investment portfolios, by increasing the proportion invested in bonds and liquid assets and reducing the equity content.

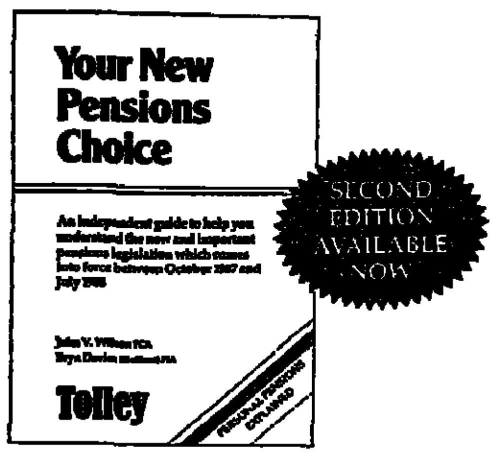


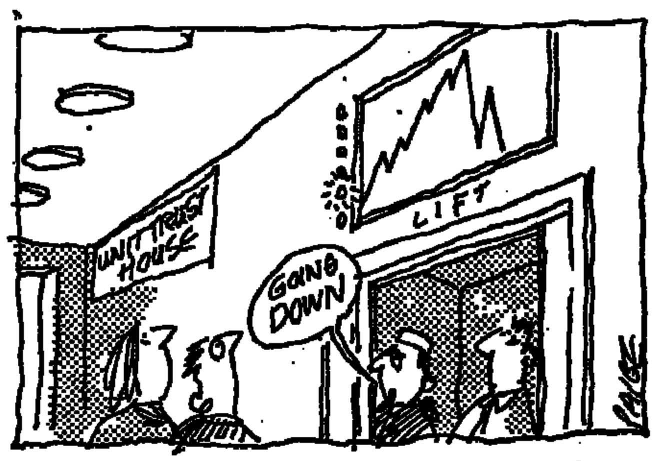


STOCK MARKET CYCLES

Month		All Share Index Monthly average	Bull markets % change	Bull markets No of months	Bear markets % change	Bear markets No of months
July	1962	88				
Sept	1964	109	+24	26		
Nov	1966	90			−17	26
Jan	1969	177	+97	26		
June	1970	122			−31	17
May	1972	224	+84	23		
Dec	1974	65			−71	31
Feb	1976	168	+157	14		
Oct	1976	125			−26	8
April	1979	270	+16	30		
Nov	1979	226			−16	7
Aug	1981	330	+46	21		
Oct	1981	287			−13	2
July 16	1987	1,239	+336	70		

Source: Phillips & Drew.





Eric Short on the ups and downs of unit trusts

Hard lessons

"THE PRICE of units, and the income from them, may go down as well as up.

"The trust is best suited to investors who are prepared to accept a higher level of risk in return for higher potential long-term rewards."

These two phrases, taken from recent unit trust advertisements, became reality this week for unit-holders when stockmarkets around the world collapsed.

The first phrase is obligatory in all unit trust advertisements. But with a decade of bull markets, unit-holders may well have forgotten its implications. A fall of 10 per cent or more in a day will serve as a salutory reminder for a long time to come.

The long bull market period may well have blunted unit-holders' perception of investment risk. Over the past few years the risk has been whether the fund might show 30 per cent, or 60 per cent growth, over a 12-month period.

This week will have shown unitholders just how volatile markets can be and that there is a downside as well as an upside in equity investment, no matter how skilled the investment managers.

There were some lessons for the unit trust managers, too. Consider this next quotation from another recent unit trust advertisement.

"You can cash in your units at any time."

The management group which made this statement suspended dealings on Tuesday, thereby putting a question mark over this assertion. But it was by no means the only group to take this action.

Many other unit trust groups also suspended dealings on Tuesday and unit-holders could not sell immediately. Neither could the braver ones buy, if there was any place for the brave in midweek.

This suspension did not mean that unit-holders could not sell at all. However, it did mean that they could not sell at the last quoted price as they could have done up to Tuesday.

Unit trust managers knew that Monday's price was far too high for selling a day later. Sellers would have got an exceptional bargain at the expense of those unit-holders left in the trust.

But what managers could not ascertain on Tuesday was a sensible price on which to deal. *Most groups* use Datastream for the price data of the underlying securities. The volatility of the equity markets was such that it was impossible for the managers to get realistic valuations of unit prices.

All groups moved to a bid basis for valuation but even then they claimed that prices were little better than guesses. It would have been unfair, they said, to have let holders cash in units at prices which could have moved several percentage points either way within a short time of being calculated and which, also, would take the price spread outside the permitted range.

So the groups accepted selling orders on a blind basis—they would be transacted, after confirmation, when a sensible price had been fixed. For the groups concerned that did not occur until Wednesday.

In effect, these groups deferred dealing *for 24 hours* or moved, at least temporarily, on to a forward pricing system.

This action was not confined to the smaller unit trust groups—likely to be more vulnerable to a wave of selling and perhaps without the resources to make frequent price adjustments. Many major groups, including subsidiaries of household name life companies, took this action.

The reasons are understandable. They were taken to protect all unit-holders, those who stayed as well as those who sold, as well as the group itself. Nevertheless, the groups concerned had broken faith with the unit-holder's understanding that he could cash-in his units at any time.

The particular group which stuck its neck out now accepts that it will need to modify its statements on immediate selling to exclude exceptional circumstances and, possibly, explain what such circumstances could be.

However, some groups, mainly the long established ones like M & G and Save and Prosper, did continue trading.

M & G makes up its unit prices on the morning's underlying securities prices rather than on those of the previous night. Its deals for the day are transacted at those prices. So on Tuesday it did just that and carried on as normal.

Save and Prosper managed to fix its prices at 11.00 on Tuesday and traded on those for the rest of the day, before returning to an end-day valuation.

However, the neatest solution came from the Framlington Group. With the agreement of its trustees, Framlington switched to an approximate valuation basis using established equity indices to update the last determined set of prices.

By this means it was able to produce prices at various times during the day on which it could deal with reasonable certainty that the prices were not too far out. It thereby kept faith with unitholders wanting to sell.

The stabilisation of markets on Wednesday saved managers from further embarrassment and has probably saved them from facing the awkward question of what would have *happened had the market* continued to plunge.

As it was the suspension enabled unitholders to think again. Most did just that and cancelled their sell orders. Indeed, M & G reported a record trading day on Wednesday with buyers outnumbering sellers by eight to one.

But if the market had gone further down, those unitholders denied the chance to sell early would have had a justifiable complaint.

The experience will probably have strengthened the resolve of the Securities and Investments Board to change to a forward pricing system—dealing on a price set in the future after orders have been received—which would have avoided these problems.

But according to Paul Bateman, marketoing director of Save and Prosper, during the brief period when it went blind and operated a forward pricing system, unit-holders expressed their dislike of the system.

He claims that half the potential sellers withdrew their order when they found out that they would not know the price in advance. Of the remainder, two out of three expressed extreme disquiet.

Finally, after the events of this week, unit-holders are being told not to panic when the market turns. However, the decision to sell tended to come from those unit-holders being advised by intermediaries rather than from individual unit-holders.

Eric Short

A new book explains the merits of investment trusts

Safer than some

PUBLISHERS would not usually launch a book on investment on a day when the FT-SE 100 index falls 250 points—about 10 per cent of the market. *Investors' enthusiasm* for the market tends to wane on these occasions.

Yet the title of this week's book, More Shares for Your Money, was very apt: this is precisely what a fall in the market means for investors.

The book, by Christine Stopp, is the latest effort made by the Association of Investment Trust Companies, the sponsor, to promote the merits of investment trusts to the ordinary investor.

In the eyes of the public, investment trusts tend to be the Cinderella of pooled equity investment vehicles, especially *alongside unit* trusts, in spite of the fact that, on average, investment trusts show a higher return.

The association has been trying to promote the advantages of investment trusts for over a decade, with only limited success.

Christine Stopp sets out these advantages early in the book, whetting the interest of readers before getting down to the technicalities of the genre.

Investment trust groups, almost all of which have unit trust operations, are now starting to cater for investors' needs—a range of funds, both general and specialist, different types of funds to meet the different tax position of investors, and the introduction of savings schemes.

The book covers these new developments. Christine Stopp also describes how investment trusts are designed and how they operate.

Individuals may be deterred from the outset, simply because investment trusts are bought and sold through the stock market like any other share. With unit trusts the investor deals direct with the management group or through a local intermediary.

Christine Stopp has described in very straightforward terms how you should go about buying and selling investment trust shares; she shows that it is not the formidable task sometimes associated with share dealings.

The book contains a list of provincial stockbrokers with whom the public can deal in investment trusts, and explains how they can meet the differing needs of investors—the widow with a modest £25,000 seeking to boost her income, the employee made redundant, the businessman with £200,000 capital available for investment.

The final section of the book has a question and answer briefing which deals with most of the queries investors would have on unit trusts, including the (very relevant) question of how investment trusts protect your investment in a bear market.

Will investment trusts ever make the same impact on investors as unit trusts?

Christine Stopp compares the relative merits—but as a regular writer on unit trusts in these columns she refrains from coming down on one side or the other.

The answer, however, is probably no; and the underlying reason for this is contained in the list of the benefits of investment trusts. The charges are lower; hence, by definition, the incentive to sell by intermediaries is lower, because their returns are lower.

The current investment scene is market driven rather than investment driven. "Best return" products are not promoted because commissions are lower.

Tim Abell, the Association's chairman, who contributes a foreword to the book, hopes that the implementation of financial services legislation, with its emphasis on best advice, will redress the balance.

However, he also admits regretfully that the new regime is unlikely to give investors that degree of impartial advice which would see intermediaries promoting investment trusts.

Eric Short

BRIDGE

ANOTHER book in the Master *Bridge* series is 100 *Winning* Bridge Tips, by Ron Klinger, published by Gollancz at £4.95 in paperback. Bridge expertise, says the author, comes to a great extent from experience, which is something the aspiring student lacks. These tips are to speed up learning by presenting situations with which the player is unfamiliar, and showing how to deal with them.

Let us start with tip 16. You know it. You go it. This is from teams-of-four:

N
♠ J 7 3
♡ A 9 5
♢ A Q J 10 5 2
♣ 10

W
♠ K 10 6 5 4
♡ J 3
♢ K 9 4
♣ Q 7 2

E
♠ 8
♡ 10 8 7 2
♢ 8 6 3
♣ K J 9 8 3

S
♠ A Q 9 2
♡ K Q 6 4
♢ 7
♣ A 6 5 4

When you are uncertain of what the final contract should be, you naturally will exchange further information with your partner, but when you know what it is, bid it without giving unnecessary clues to the opponents.

North dealt at a love score, and bid one diamond, to which South replied with one heart, and North rebid two diamonds. In one room South knew the right contract, and jumped to three no trumps. West opened with the five of spades. South won with the queen, lost the diamond finesse but collected 11 tricks without difficulty.

In the other room, after North's rebid of two diamonds, South decided to give the opponents a guided tour round his treasury. He rebid two spades. North gave preference with three hearts, and now, too late, South said three no trumps. But the damage had been done. Warned off spades, West opened with the two of clubs. The king won, the knave was returned, and the declarer could not make more than eight tricks.

Now tip 46, trump length lead length:

N
♠ 6 4 3
♡ Q J 5
♢ 7 6 3 2
♣ A K J

W
♠ 9 8 5 2
♡ 4
♢ J 10 9 5
♣ 7 4 3 2

E
♠ 7
♡ A 8 6 3 2
♢ A K 8 4
♣ 10 9 6

S
♠ A K Q J 10
♡ K 10 9 7
♢ Q
♣ Q 8 5

North deals at game all, and after two passes South opens the bidding with one spade. North says two no trumps, not ideal but *it is hard to suggest any* alternative. South rebids three hearts. North corrects to three spades, and South bids four.

If West leads the singleton heart, he is lucky enough to find East with the ace, ruffs the heart return, and cashes a diamond. But then the polls are closed, and South sails home.

Holding four trumps, West should attack with his strong suit in the hope of breaching the trump fortress. He leads the diamond ace, *East* dropping the knave and South the queen. The king follows, the declarer ruffs, and starts to draw the trumps, and on the second round he learns the bad news.

He cannot draw the trumps without exposing himself to the loss of two diamonds and the ace of hearts. If he switches to hearts, East wins, and another diamond leaves West with trump control.

This hand is a clear indictment of the opening lead of a singleton when the *opener* holds length in trumps, but some players just refuse to accept this.

E. P. C. Cotter

John Brennan finds the property market calm

Safe as houses

AFTER TREE-EATING winds, a stockmarkets hurricane, and torrential rains, all we need to complete the picture of a grim October would be for the house price bubble to burst. But unless the equity market slide presages an economy-wide recession, there is nothing to suggest that fall share prices will result in a flood of "sell" orders for houses and flats.

Looking at the residential market from the City of London outwards, the obvious impact of the share market's roller-coaster movements has been to boost equity trading houses' commission incomes. With big pre-Christmas bonuses in prospect, far from having to hand in their Porsches, City dealers who haven't ben overtrading on their own account are likely to be cash-rich and, one presumes, additionally cautious about putting their money into volatile equity markets.

Add an understandable touch of nerves about future job security to the mix and there is a potent argument for an extra surge of interest in residential investment properties, as high-earning financial services staff make use of their borrowing capacity while they can.

"We have never had so many calls since the market started to fall," says Docklands agent Alan Selby. "It has always been the case that when the stockmarket goes down residen*tial prices go up, because where* else do you put your money?"

That does, of course, presuppose that there still will be investable money to be put somewhere. But, short of a total collapse of the equity market, no one at the investment end of the housing market seems to be unduly worried about recent events.

There had already been a clear slow-down in the rate of price rises in London since early summer, with an equally clear price barrier emerging at or around the £175,000 to £200,000 price level for properties in Docklands and in the £250,000 to £300,000 range elsewhere in Central London. British owner-occupiers have been finding it difficult to justify the costs of trading-up from an existing home into this price range—which has become the middle ground for central London homes—while overseas buyers, and investment buyers planning to cover holding costs by renting properties for eventual resale, have become increasingly selective about the quality and location of the places they buy. That situation is unlikely to change.

Political stability is more important than equity market activity for international buyers looking at properties right at he top ofhe Lonodn priceofoilk the top of the London price scales—which would now range up from £750,000 to several million pounds. Although this top end of the market has been packed with British buyers in recent years, many of whom did make their fortunes in the equity bull market, most of these local buyers have been owner occupiers rather than investors and so they, like any other householder, are only likely to be selling as a last resort.

Knight Frank and Rutley are relatively sanguine about the country house market as well. They see a distressed stockmarket graphically underlining the thought that "bricks and mortar are a safe bet."

The agents do think, however, that more properties will be drawn into the market as people who have been delaying selling until prices rise considerably higher, or who have been offering properties for over-ambitious asking prices, start accepting realistic offers.

KF & R stand by their earlier forecast of a 14 to 15 per cent rise in residential property prices over the next 12 months, a percentage rise that accords with the countrywide average that the Halifax Building Society expects to see in 1988. The Halifax expects that uncertainty in the financial markets could well affect peoples' buying decisions, and that there is likely to be "a moderate effect on the demand side as some buyers who are concerned about prospects drop out of the market.

On the supply side there could be some effect as people decide to cash-in the paper profits they have on their homes. "But the net effect of those changes doesn't persuade the Halifax to alter its price forecasts. As David Gilchrist at the society says: "Even if London prices went flat from now to the end of the year—and we don't think they will—you would still see an 18 to 19 per cent rise for the year as a whole."

Property, Page XII

Plain man's guide to the crash

Q&A

Richard Lambert and Barry Riley answer the financial crisis questions you were too embarrassed to ask

Q.—Is this the end of the bull market?

A.—By most definitions, a significant bear market has been concentrated into a couple of days. Generally speaking, a 25 per cent setback amounts to a proper bear market, and a one-third retreat as a severe one. Historically such slides have been spread over months, and more often years. This time most of the correction has been confined within the space of two days, although in fact the London equity market peak was reached back on July 16, while Wall Street touched its all-time high on August 25.

As of Tuesday night, London was 26.3 per cent off its peak in terms of the Financial Times—*Stock Exchange 100 Share* Index, and at its closing low on Monday Wall Street was down 33.2 per cent in terms of the Standard and Poors Composite, a broadly based index. Of course, both markets have bounced back from their low points since then.

Q. What caused the crash?

A. There are two ways of answering this question. One is that the crash was triggered by specific problems which developed in the US financial markets last week. The trade figures were terrible, and an open row was developing between the Americans and the Germans over US policy and the operation of the Louvre currency accord. Some also think that a tightening of money in the US was influential, with two leading banks raising their prime rates. The sunny optimism of Mr Alan Greenspan, newly installed as chairman of the US Federal Reserve, did not help.

None of this explains why the move was on such a catastrophic scale. A further answer therefore must emphasise the overvaluation of equities in recent months, especially in relation to bonds which for much of the year have actually been in their own bear market. Equities ignored this trend in bonds, but the two markets had to come together sooner or later.

The global interlinking of markets was another factor. The slump was triggered on Wall Street, and spread around the world. The downward spiral fed on itself.

Q. What lessons are there to be gained from previous market crashes?

A. This week's events were unprecedented. But history suggests that after a fall of this magnitude the confidence of investors will have been badly shaken, and will take a long time to be rebuilt. There has been much talk of the Great Crash of 1929, but the parallels are not close. All that can be said is that the market started to rally strongly within a few weeks of the collapse that October. But it then slid right away over the next two years as it became clear that the economic policymakers were *taking all the wrong decisions.*

Q: Should I buy, sell or hold shares or unit trusts?

A. It depends on your willingness and ability to take risks. If you have borrowed heavily in order to buy shares at higher levels you may have no alternative but to sell. If you are not a forced seller but would still like to get out, you will probably have better opportunities to unload during the months ahead. Bargain hunting will be very risky, at least until the dust settles.

The case for holding on is that the outlook for profits and dividends still looks reasonable. Serious economic damage can be avoided provided that the economic policymakers can start to get the US back on the road to fiscal balance within the next few months. But until the outcome is clearer, investors face a bumpy ride.

Q. What is going to happen to interest rates?

A. It is remarkable how calm the money markets have been in the face of the equity market turmoil. British interest rates, having gone up earlier in the year, need not be affected. It is true that an excessive level of bank lending was revealed by figures published this week for September. But the uncertainty resulting from the equity market shakeout should itself reduce the demand for credit. Bond markets have picked up, on the view that deflation is now becoming a greater danger than inflation.

Q. Is my pension safe?

A. If you are in an occupational pension scheme, this week's upsets are more or less irrelevant. Nearly all company schemes are very conservatively valued, and have been overfunded. A 20 per cent fall in equity markets should easily be absorbed. But it may affect your company's hopes for a "contribution holiday."

As for personal pensions, where your investments can be directly related to stock market values, the impact will be rather more noticeable. However, all that has happened has been that the top slice of exceptional gains has been cut off. Unless you are on the point of retire*ment you should not be affected.* All the same, the sharp setback is a reminder of the volatility of equity markets and the need to switch equity investments into more stable assets well ahead of your retirement day.

Q. What about house prices?

There is no direct link between share prices and house prices. On the positive side, interest rates look steady and, if anything, more funds for *lending will become available* to the building societies because some investors will be looking for a safer home for their money. On the negative side, house prices in South-East England have been driven ahead by some of the same factors which pushed shares up to unsustainable levels. People have not cared too much about prices so long as those prices have continued to rise. This mood could change.

Q. What should I do about the BP share offer?

A. Forget it. The Government has withdrawn the advertising aimed at the casual investor who, even if the price were to rally sharply, would be ill-advised to go into a partly-paid share in wildly fluctuating markets like these. If you are really keen, wait until next Tuesday, see whether the price is right, and then pop the form into a local NatWest branch before closing time.

Q. Is my money safe with my broker?

A. The enormous swings which have taken place in the past week are bound to have put strains on even the best run firms. Stock Exchange member firms should be safe, and in any event are covered by compensation arrangements. The same may not apply to some of the fringe operators. The protection of the Financial Services Act is not yet in place, and the number of small advisers has mushroomed in a largely uncontrolled way during the long bull market.

Q. What economic policies would restore the confidence of the stock market?

A. Britain is largely on the sidelines in this. The big question is how the imbalance between the world's major economies will be resolved. The markets would like to see early action by the Americans to reduce their fiscal deficit, coupled with a controlled decline in the dollar to help with the trade numbers.

They also want relaxed monetary policies by Germany and Japan to hold down world interest rates and head off the threat of recession. The markets would react badly to any retreat into protectionism, and to signs that the Americans were trying to continue to postpone any serious decisions until after the Presidential election in a year's time.

Q. Is the stock market worthy of rational discussion?

A. When Albert Einstein went through the pearly gates, he asked the first man he met what his IQ was. On being told 210, Einstein agreed that they should work together to develop his theory of relativity. The second person's IQ was 160, and they agreed to have discussions about music and the arts. He then asked the third man the same question. "80," came the reply. "Well," said Einstein, "we could always talk about the outlook for the stock market."

Holiday & Travel

Legal Notice

IN THE HIGH COURT OF JUSTICE
No. 005864 of 1987
CHANCERY DIVISION

IN THE MATTER OF
BLACKWOOD HODGE p.l.c.
AND
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 9th October 1987 presented to Her Majesty's High Court of Justice for the confirmation of the cancellation of the Share Premium Account of the above named Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Peter Gibson at the Royal Courts of Justice, Strand, London, WC2A 2LL on Monday the 2nd November 1987.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said cancellation of Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the under mentioned Solicitors on payment of the regulated charge for the same.

DATED the 21st day of October 1987.

Slaughter and May,
35 Basinghall Street,
London, EC2V 5DB.
Ref: JT/LIT:RLH
Solicitors of the said Company.

William Cochrane meets some top investment managers

Strategies undiverted

BRITAIN'S top investment managers have a strong sense of direction and they are not going to let an international investment collapse divert them from the paths of philosophy, and strategy as distinct from tactics.

M & G is Britain's leading unit trust group and James Shillingford, investment manager of its £500m Dividend Fund, is on his way to a position in top management as deputy managing director David Tucker moves towards early retirement next March.

Shillingford takes an uncompromising view of M & G's responsibilities. "We have a range of unit trusts," he says, "and each has its own investment strategy — from high income to recovery and growth, from the UK to America and Australia.

"We've tended to take the view that if you're selling a specialised investment concept, you need to keep the fund fairly fully invested.

"It's up to the public to decide whether to stay liquid, whether to invest or not," he adds. "We don't tend to take the view that a particular sector is cheap, and that we should pile in. In that, I think we are unusual."

M & G has a successful investment philosophy, however, biased towards higher income equities and the small to medium company rather than the FT-SE index's 100 big components. It can make strategic *shifts in its placement of* investment funds: a year ago oil stocks were quite high-yielding, so it increased its commitment there.

Its outlook is distinctly long term. "Today, the market is 25 per cent higher than it was a year ago," said Shillingford earlier this week. "If you had predicted that rise a year ago, and acted upon it, you would be quite happy today."

Murray Johnstone is Scotland's largest independent fund manager, with some £3½bn under its belt. Alistair Stewart, the director responsible for the UK and Europe in the MJ hierarchy, notes that it has a broad range of funds under *management.*

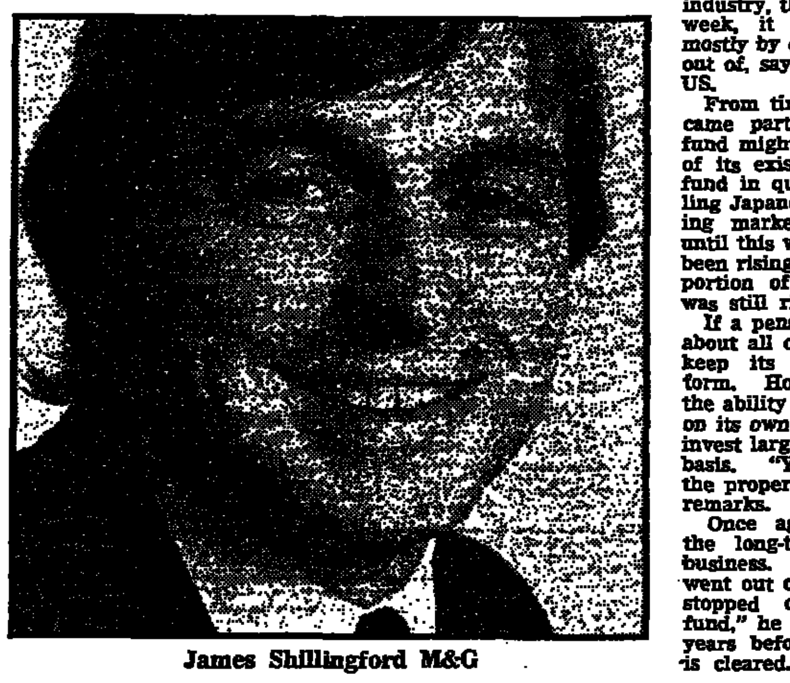
"The liabilities of pension funds are denominated in real terms so, here, we have to pay particular attention to investments which will maintain and increase their real value over a long period of time," he says.

"Unit trusts have different *priorities. Within the industry,* there is an insistence on short-term performance." But here, too, MJ have over-riding principles of its own. "We have an equity valuation model which looks for good companies with sound products in good markets," says Stewart.

"We attempt to identify good medium-term value. We might follow that model even when the companies it indicates may be less fashionable than, say, stocks in cyclical industries on the road to recovery."

MJ's major strategic shift lately has been to lighten its exposure to the hghly leveraged markets of South-East Asia and to go heavier in what it has seen, ironically in this week's context, as the more broadly-based markets of the US and the UK.

Similarly, it has been reducing its commitment to southern Europe, particularly in what it regards as peripheral markets like Spain, and increasing in bedrock northern European markets like Switzerland, Germany and the Netherlands.



James Shillingford M&G

"Nobody is actually tearing their hair out at MJ over the events of the past week," says Stewart, who has not been making panic decisions. "Sitting still might sound a bit wet but it's probably not too silly a thing to be doing." And he adds: "If it's any reassurance, we can now make equity yields look good value against bonds at present market levels."

Pension funds tend to be active and inactive at the same time. Historically, their common feature is a fairly high cash inflow and, according to a senior industry executive, the problem over the years has been to get that money into the market in a manner consistent with spread of both risk and opportunity.

If a fund wished to change its exposure to a particular industry, the executive said this week, it would achieve this *mostly by diverting its cashflow* out of, say, Japan and into the US.

From time to time, if it became particularly negative, a fund might also try to sell out of its existing holdings. The fund in question has been selling Japanese shares into a rising market. It happens that, until this week, the market had been rising so fast that the proportion of the fund in Japan was still rising, willy-nilly.

If a pension fund is negative about all of its markets, it can keep its cashflow in liquid form. However, it does have the ability and, on development *on its own* account, the need to invest large sums on an annual basis. "You cannot fine-tune the property market," our man remarks.

Once again, he emphasises the long-term nature of the business. "If our employers went out of business today and stopped contributing to the fund," he says, "it could be *70* years before our last liability is cleared."

CHESS

EXPERT *opinion in advance of* the Seville world title match was almost unanimous that Gary Kasparov, already twice a winner over Anatoly Karpov and 12 years younger, would again defeat his rival with a margin to spare. But game two of the series showed chinks in the champion's armour and posed the question of whether Kasparov's high public profile and offboard interests could become a fatal liability.

It was Kasparov, though, who produced the first surprise, right at the opening move. Throughout most of his career his favourite has been 1 P-Q4, but with frequent switches into 1 P-K4 and the Ruy Lopez. The ultra-positional openings beloved of strategists, like 1 N-KB3 and 1 P-QB4, have never been part of his repertoire.

In Seville, though, he chose 1 P-QB4 for the first time ever *against Karpov, echoing that* day in Reykjavik 1972 when Fischer played 1 P-QB4 (1 c4 in standard notation) and London commentators decided it must be a misprint on the agency tapes for 1 e4 (1 P-K4, and Fischer's normal choice).

Whatever Kasparov's reasoning for 1 P-QB4, the English Opening, it rebounded. Evidently, Karpov had made a careful study of the English for his 1978 and 1981 matches against Viktor Korchnoi, and still had some unsued shots in his theoretical locker. Karpov's pawn sacrifice 9 . . . P-K6!? proved a shock, and Kasparov pondered his answer for a near-record 80 minutes.

Curiously, in game four of the Seville series, Kasparov offered *his* opponent another chance for 9 . . . P-K6, and Karpov declined. His alternative choice, a pawn exchange, looked inferior, so that in game four Kasparov obtained lasting pressure. Such a mysterious episode can be explained only by the players in the light of their pre-game analyses.

What did become clear from game two was that Karpov could still demonstrate the classical and logical blend of tactics and strategy which characterised his peak years in the 1970s. Rarely has Kasparov been so devastated with the white pieces, and the game *should find a place in anthologies* of the best world title play.

White: Kasparov. Black: Karpov. English Opening (2nd match game, Seville 1987.

1 P-QB4, N-KB3; 2 N-QB3, P-K4, 3 N-B3, N-B3; 4 P-KN3, B-N5; 5 B-N2, 0-0; 6 0-0, P-K5; 7 N-KN5, BxN; 8 NPxB, R-K1; 9 P-B3, P-K6!?

The move which halted the world champion's thought train in its tracks. If 10 PxP, Black has active play either by P-KR3; 11 N-R3, P-Q3 with B-K3 and N-K4 to follow attacking White's front QBP, or else 10 . . . P-Q4; 11 PxP, NxP.

Game four went 9 . . . PxP; 10 NxP(3), Q-K2; 11 P-K3, N-K4; 12 N-Q4! (so that if NxP; 13 N-B5 with a dangerous attack) *N-Q6; 13 Q-K2, NxB;* 14 QRxN, P-Q3; 15 R-B4, P-B3; 16 QR-B1, Q-K4; 17 Q-Q3, B-Q2; 18 N-B5, BxN; 19 RxB.

Here, Kasparov has a clear advantage, with rooks in control of the KB file. Eventually, he broke through to the seventh rank and reached an endgame two pawns up.

10 P-Q3, P-Q4; 11 Q-N3, N-QR4; 12 Q-R3, P-B3; 13 PxP, PxP; 14 P-KB4, N-B3; 15 R-N1, Q-B2; 16 B-N2, B-N5; 17 P-B4?

White's position is inferior, but the solid plan is 17 N-B3, with QR-B1 and P-B4 to follow. Kasparov overrates his attack.

17 . . . PxP; 18 BxN, PxB; 19 N-K4, K-N2; 20 PxP, QR-Q1!

Black's harmoniously centralised forces defeat any white tactics. Now if 21 QxKP, B-B4 pins the knight and threatens Q-K2 winning a piece.

21 R-N3, N-Q5; 22 RxKP, QxQBP!

Winning material by N-B7? rebounds after 23 Q-B3! NxR; 24 NxP!

23 K-R1, N-B4; 24 R-Q3, BxP; 25 RxR, RxR; 26 R-K1, R-K1; 27 Q-R5, P-N4.

Blocks the white queen's threat to his knight, attacks White's own knight, and prepares the decisive final sequence.

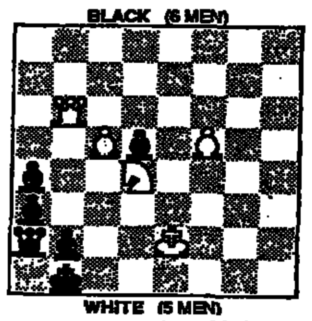
28 N-Q2, Q-Q6; 29 N-N3, B-B6; 30 BB, QxB ch; 31 K-N1, RxR ch; 32 QxR, N-K6; 33 Resigns.

White has to give up his queen to avoid mate by Q-N7 or (if 33 Q-B2) by Q-Q8 ch. A classic.

PROBLEM No. 694

White mates in three moves, against any defence (by J. Halumbirek, 1963).

BLACK (6 MEN)



WHITE (5 MEN)

Solution Page XXI

Leonard Barden

Junk overboard

Predictions, Kevin Goldstein-Jackson finds, are more a matter of feeling than analysis

DIARY OF A PRIVATE INVESTOR

ON TUESDAY, with doom and gloom in the financial headlines, I had to laugh when I received in the post a circular from Mark Tier promoting his latest report. "Some time in the next 18 months," he wrote, "I expect a worldwide collapse —a re-run of October 1929—but first the world's stock markets could double.

His report was entitled *The Financial Panic of 1988/89* and cost $49.

This reminded me of a book I bought a few years ago by Bob Beckman, called *Downwave, in which* he predicted a stock market collapse would start in 1983/84. However, you do not get many points in the market prediction stakes for being too early or too late.

Perhaps psychologists and sociologists should forecast market trends instead of the specialists. Many of the recent dramatic rises and falls on the US and Japanese exchanges appear to me to owe as much to investors' "feelings" as they do to the genuine merits of those markets.

Apart from one brief foray, I have steered well clear of Japan. I therefore missed out on many spectacular price rises but, instead, made much more predictable gains on British shares.

For some time I have felt that Japanese shares were over-valued, with ludicrously high price/earnings ratios. Why should Nippon Telegraph and Telephone Company have had a *PE of about 300 when British* Telecom's was less than 13?

In the US, the high PEs of Japanese companies were used to justify ever-rising PEs of American companies. A US stockbroker once tried to tempt me by saying: "A PE of 30 is low compared with Japan," and offered me the chance to buy the shares on margin. He would also, he said, provide me with a 50 per cent loan against the cost. I was not tempted.

Indeed, last year I reduced my US investments to two: I was concerned about such borrowing facilities being used by millions of Americans to buy shares. What would happen if interest rates rose or the value of the shares went down?

I was also worried that sentiment about the US market would one day change abruptly and that the "herd instinct"—not wanting to be the last person out—would cause a dramatic fall in share prices.

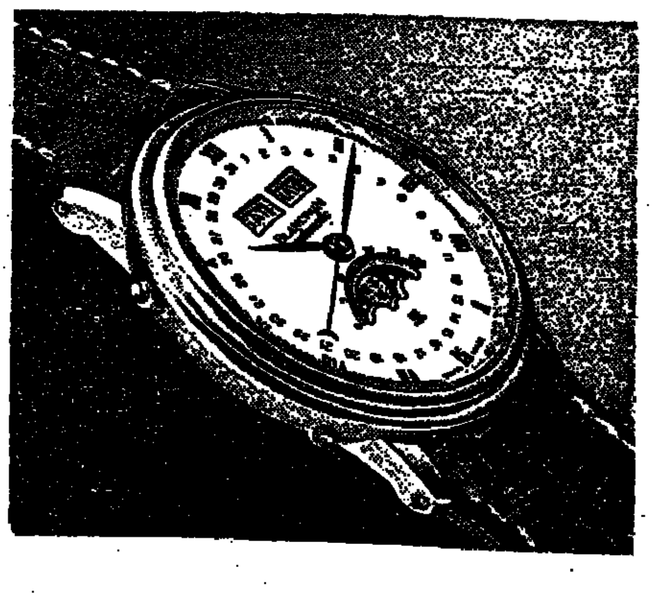
As I mentioned last week, I have been a steady seller of British shares (at good profits) since late July and have liquidated a sizeable part of my share portfolio. Thus, when the market collapse happened I was not too worried.

However, the problem with the sudden downturn in the market is that nearly all shares are marked down in price, irrespective of their individual merits, as people's "feelings" *toward* the market change. "Let's get out of shares," they cry, rather than "Let's get out of over-priced junk." It is only *somewhat* later that sentiment changes again and they reconsider certain companies.

For example, my remaining share portfolio is mainly in small, debt-free companies with under-valued assets and little connection with the US. But they, too, have been marked down in price. I hope they will be *among the first shares to* recover. Meanwhile, as I have cash available, suitable low bargains can be snapped up readily over the next few months.

My few investments in larger companies are in those which should eventually benefit from a market crash. For example, Lonrho has a wide range of interests, mostly outside the US, and among them are gold and platinum mining.

When share prices fell, the price of precious metals went up — and I hope, Lonrho's share price also will soon recover.



• FINANCE & THE FAMILY •

Liquidator's mistake

My mower was collected by a local garden centre to give an estimate for repair and overhaul. A price was given in writing two-three months later. There was no urgency as the mower was not required for another few months.

By the time I contacted the company it had gone into liquidation and my machine together with others had been disposed of by the liquidators. They say the company's records were poor and it was the responsibility of the directors to tell the liquidators of any property which did not belong to them.

I maintain the onus was on the liquidators to ensure that the company was the rightful owner of any property they sold. Who is right?

The mower clearly did not belong to the company and should not have been disposed of by the liquidator. You should claim its value from the liquidator personally.

Maintaining a child

I shall be grateful if you could let me know the maximum amount that can be paid as maintenance for a child under a court order without deduction of tax?

The maximum monthly amount which can be paid without deduction of tax to a child under 21 for his or her own benefit, maintenance or education is £208; the weekly maximum is £48. The maximum monthly amount which can be paid without deduction of tax to someone other than the child for the child's benefit, maintenance or education is only £108; the corresponding weekly maximum is £25. These figures were set in 1986; the previous change was in 1980.

CGT on savings

My wife and I have a joint building society account of approximately £10,000. We also individually and jointly hold shares and unit trust investment currently valued at approximately £20,000. It appears that capital gains tax can be applied to building society savings. I wish to know in what circumstances such a change would be incurred, and how it would be calculated. I shall receive a lump sum of approximately £20,000 next year on retirement by which time our joint capital is likely to approach £60,000 and a capital gains tax charge more possible. I would be obliged if you could advise me how indexation allowance applies to capital gains tax or what explanatory leaflets are available.

Capital gains tax has applied to building society shares (including share accounts, as distinct from deposit accounts) ever since the tax was introduced on April 7 1965. Since building society shares are generally issued and redeemed at par, of course, there have been few chargeable gains — and there were few allowable losses until April 6 1985, when the Chancellor rather belatedly introduced CGT relief for the effects of inflation upon money tied up in building society shares (and other shares, etc). Unfortunately, it was announced on July 3 that the Chancellor has changed his mind on this point, and that he proposes to ask Parliament next spring to remove the CGT inflation relief from shares in building societies, co-operative societies, etc., retrospectively from July 4 this year.

If you or your wife have withdrawn any money from the building society *share account* since April 5 1985, therefore, it is probably worthwhile to calculate the allowable losses. Ask your tax inspector for the free explanatory pamphlet on indexation relief: CGT13 (1986). It is worth continuing to calculate the potential allowable losses on withdrawals since July 3, because it is by no means certain that a majority of MPs will endorse the Chancellor's proposed retroactive legislation in the Finance (No 2) Bill: the withdrawal of relief for inflation might, for example, be backdated only to the beginning of 1988-1989.

• BRIEFCASE •

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

The bad news...

I hold some US mutual funds which send and distribute the capital gains realised by them, contrary to the practice of UK unit trusts. They distinguish between long-term capital gains which are distributed gross and short-term gains from which tax is deducted.

***I have included these* distributions in my UK return as capital gains but, having read that dividends paid out of capital gains by a UK company were considered income, I wonder if I have been correct.**

I tried to find out from my local tax office but my enquiry has been ignored as has a reminder.

Can you put by mind at rest. Are distributions out of capital gains realised by a US mutual fund to be treated for UK tax purposes as income or as capital gains?

We are sorry to say that such distributions are chargeable to UK income tax under case V of schedule D, in just the same way as distributions out of investment income. The fact that such distributions are exempt from US withholding tax merely means that they are fully taxable in the UK

Write to the district inspector at your tax office and ask him or her for the address of the regional office to which you should submit a complaint that your enquiry on this point has been ignored, contrary to the Taxpayer's Charter. If by chance you get no reply, write to the Secretary of the Board of Inland Revenue, Somerset House, Strand, London WC2R 1LB.

Second house

In addition to my main residence I own an old country bungalow on a large one-acre site. This second property was left to me by a relative in 1981 and was valued at the time at £30,000.

Neither of my sons, both over 21 years old, has a residence of his own and in order to help make a start in home ownership I intend to give them joint ownership of the second property.

Due to the building's age, condition and main construction of asbestos sheet walls and asbestos tiles it is unrealistic to repair or extend. The best long-term solution is to demolish it and to replace it with a good quality modern building.

My dilemma is, which of the following courses of action should I take:

(1) Give them the property before obtaining local authority permission to rebuild when it is low in value?

(2) This way I assume they would not be subject to CGT on the increased value obtained from an ultimate sale.

(3) Retain ownership, finance the rebuilding and then pass it over to them? The estimated cost of the new building is £60,000 with a final sale value of £140,000.

The site is in the south of England and in an area of "outstanding natural beauty" so the possibility of further development is unlikely in the foreseeable future.

As the law stands, we suggest that you adopt the second course and invite your sons to join in holdover claims (under section 79 of the Finance Act 1980) in due course. Your sons will doubtless submit main-residence notices (under section 101(5)(a) of the Capital Gains Tax Act 1979) after they move in, or after the transfer of ownership—if they move in beforehand. Talk things over with the solicitor who will be acting for you in the proposed transfer: he or she will be able to guide you through the CGT and IHT maze. All good solicitors are prepared to advise on the tax aspects of domestic property transactions, as an integral part of their conveyancing service.

No relief on losses

In February 1985 I "invested" £30,000 in a managed fund that today is worth about £24,000. Any capital gain would have been taxed as income. Can you please tell what the situation would be if I were to recover what is left of my capital now? Can I offset the loss against current income?

No, there is no income tax relief for such losses. It is rather a pity that you did not check the tax aspects before deciding where to put your money.

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 19th October 1987						*as at 30th September 1987*					
						Geographical Spread					
Total Net Assets (1) *£million*	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) *pence*	Yield (5) %	Net Asset Value (6) *pence*	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) *base=100*	Total Return on N.A.V. over 5 years to 30.9.87 (12) *base=100*
	CAPITAL & INCOME GROWTH										
523	Alliance Trust	Independently managed	884	4.0	1029	45	42	7	6	94	318
158	Bankers	Touche, Remnant	84	2.5	89	50	29	5	16	104	412
415	British Investment	Independently managed	584	4.0	658	59	19	16	6	91	327
100	Brunner	Kleinwort Grieveson	131	2.7	146	63	20	2	15	102	349
691	Edinburgh Investment (w)	Dunedin Fund Managers	174	3.0	214	61	16	12	11	97	363
637	Foreign and Colonial	Foreign & Colonial	116	2.2	137	42	27	14	17	107	418
1022	Globe	Independently managed	158	3.6	200	74	16	6	4	100	409
619	Govett Strategic	John Govett	365	1.4	439	66	7	5	22	129	482
16	Jos Holdings	Kleinwort Grieveson	203	2.5	215	90	3	–	7	98	438
†	Keystone	Mercury Asset Man.	345	2.2	†	67	24	–	9	109	†
127	Kleinwort Charter	Kleinwort Grieveson	130	2.9	155	75	15	5	5	98	367
10	Lancashire & London (q)	Finsbury Finance	118	4.4	128	95	5	–	–	71	†
69	Meldrum	Gartmore	152	2.8	176	95	4	–	1	99	442
69	S. & P. Ret. of Assets (w) △	Save & Prosper Group	190	2.4	300	88	12	–	–	123	†
35	Scottish & Mercantile (q)	Finsbury Finance	144	4.8	125	78	2	–	20	101	†
28	Scottish Cities (q)	Finsbury Finance	725	4.9	835	98	2	–	–	72	†
592	Scottish Mortgage	Baillie, Gifford	122	2.3	145	52	18	10	20	110	411
177	Second Alliance	Independently managed	759	8.8	917	47	41	7	5	95	326
702	TR Industrial & General	Touche, Remnant	125	2.4	145	59	20	10	11	107	349
651	Witan (w)	Henderson	138	2.0	165	60	19	8	13	104	452
	United Kingdom										
19	City of Oxford	Hambros Bank	89	2.7	92	97	3	–	–	99	391
60	Fleming Claverhouse	Robert Fleming	280	2.8	318	100	–	–	–	103	460
70	Shires (w)	Glasgow Inv. Man.	198	10.2	250	88■	6	–	6	81	267
192	TR City of London	Touche, Remnant	77	4.5	90	91	9	–	–	101	415
175	Temple Bar	Guinness Mahon Inv. Man.	223	4.0	270	99	1	–	–	111	455
	CAPITAL GROWTH										
	General										
351	Anglo & Overseas	Morgan Grenfell	469	2.0	548	46	20	21	13	99	366
167	Atlantic Assets (w)	Ivory & Sime	59ac	1.2	67ac	33	65	–	2	101	218
115	Electric & General	Henderson	109ac	1.3	119ac	58	23	6	13	104	460
43	Greenfriar (w)	Henderson	503	0.5	482	59	9	3	29	114	539
9	Personal Assets (q)	Ivory & Sime	59	1.2	55	74	21	–	5	84	†
	International										
106	Berry	GT Management	309	0.5	334	69■	12	4	15	80	420
3	Child Health (w) △	Thornton & Co.	56	0.0	61	34	12	2	52	127	501
111	English & Scottish	Gartmore	128	1.7*	135	43	24	5	28	96	392
39	F & C Eurotrust	Foreign & Colonial	250	1.0	276	8	–	–	92	111	503
270	Fleming Overseas	Robert Fleming	168	1.8	203	11	43	19	27	96	347
118	Fleming Universal	Robert Fleming	156	1.3	181	18	43	15	24	100	323
22	Gartmore European (w)	Gartmore	375	0.8	409	22	5	–	73	103	306
70	Gartmore Inform. & Fin. (w)	Gartmore	64	2.4	75	75	21	–	4	105	250
8	German Securities (w)	Liechtenstein (UK)	94	1.0	109	–	–	–	100■	55	†
183	Hambros (w)	Hambros Bank	230	3.0	290	63	27	1	9	105	336
71	"Investing in Success" (w)(q)	Panfida Managers	190	1.1	200	60	14	14	12	115	†
140	Kleinwort Overseas	Kleinwort Grieveson	146	2.3	173	11	43	9	37	103	329
13	Mid Wynd International	Baillie, Gifford	261	1.5	252	27	25	12	36	95	466
254	Monks	Baillie, Gifford	238	1.6	294	43	22	9	26	102	372
133	Murray Smaller Markets	Murray Johnstone	211	1.1*	215	19	11	10	60	108	509
14	Nordic △	GT Management	69	0.4	91	6■	–	–	94	109	†
85	North Atlantic Securities △	Morgan Grenfell	395	1.2	440	–	35	36	29	96	329
190	Northern American	Dunedin Fund Managers	406	1.8	508	27	24	21	28	101	325
36	Northern Securities	GT Management	342	1.1	330	84■	10	–	6	82	415
12	Paribas French	Paribas Asset Man.	73	0.0	81	–	–	–	100	84	†
8	Primadona	Independently managed	195	0.0	175	46	28	1	25	100	†
123	Romney	Lazard Brothers	375	1.8	429	13	37	28	22	98	314
98	Schroder Global	Schroder Inv. Man.	229	2.5	269	36	37	11	16	98	309
427	Scottish Eastern	Martin Currie Inv. Man.	137	2.2	175	67	9	12	12	117	379
510	Scottish Inv. Trust (w)	Independently managed	391	2.4	511	41	28	11	20	107	352
21	Stratton Inv. Trust	Baring Inv. Man.	123	0.3	140	58	18	12	12	108	†
118	Tribune	Baring Inv. Man.	187	2.5	217	53	22	11	14	99	385
74	USDC	GT Management	158	3.0	171	58	28	3	11	105	†
	North America										
129	American	Edinburgh Fund Mgrs.	139	3.2	152	25	75	–	–	101	254
155	Edinburgh Amer. Assets	Ivory & Sime	107	0.8*	124	19■	77	2	2	120	252
116	Fleming American	Robert Fleming	123	1.7	139	2	98	–	–	98	254
32	Gartmore American Secs.	Gartmore	150	1.3	157	21	77	–	2	108	378
134	Govett Atlantic	John Govett	126	3.3	162	20	79	–	1	106	256
67	TR North America	Touche, Remnant	91	3.0	104	8	92	–	–	94	241
	Far East										
20	Australia (w) △	Clayton Robard (UK)	105	1.3	119	–	–	–	100	98	†
52	Drayton Far Eastern (w)	MIM	221	0.7	288	2■	–	56	42	94	544
188	F & C Pacific (w)	Foreign & Colonial	120	1.1	152	4	21	44	31	106	392
342	Fleming Far Eastern	Robert Fleming	178	0.6	216	1	–	59	40	102	555
417	Govett Oriental	John Govett	323	1.0	379	7	–	44	49	112	572
26	Martin Currie Pacific (w)	Martin Currie Inv. Man.	148	0.3	206	2	–	71	27	100	†
25	Pacific Assets (w)	Ivory & Sime	143	0.7	164	13■	–	–	87	102	†
43	TR Australia (w)	Touche, Remnant	155	2.0	139	−2	–	–	102	108	328
210	TR Pacific Basin (w)	Touche, Remnant	235	0.6	273	2	–	49	49	96	529
	Japan										
55	Baillie Gifford Japan (w) △	Baillie, Gifford	368	0.0	510	–	–	100	–	99	686
15	Baillie Gifford Shin Nipp. (w)	Baillie, Gifford	59	0.5	88	–	–	100	–	97	†
105	Crescent Japan	Edinburgh Fund Mgrs.	104	0.2	155	–	–	100	–	84	581
256	Drayton Japan	MIM	705	0.2	953	5	1	94	–	96	547
184	Fleming Japanese	Robert Fleming	178	0.2	230	3	–	97	–	94	558
122	GT Japan	GT Management	255	0.8	349	5■	2	92	1	107	682
†	Japan Assets (w)	Ivory & Sime	62	0.1	†	†	†	†	†	†	†
75	New Tokyo (w)	Edinburgh Fund Mgrs.	124	0.1	173	–	–	100	–	98	586
	Commodities & Energy										
8	New Darien Oil (w)	Hodgson Martin	100	1.0	81	37	62	–	1	114	166
34	Precious Metals △	J. Rothschild	292	0.3	279	6■	59	–	35	93	362
118	TR Natural Resources	Touche, Remnant	89	3.2	91	38	31	–	31	106	223
†	Viking Resources (q)	Ivory & Sime	65	4.2	†	†	†	†	†	†	†
	Technology										
11	Baillie Gifford Tech. (w)	Baillie, Gifford	91	0.3	102	40	48	10	2	88	†
97	Fleming Technology	Robert Fleming	190	0.4	236	44	39	13	4	101	250
71	Independent (w)	Ivory & Sime	49ac	1.7	63ac	25	68	–	7	99	188
375	TR Technology	Touche, Remnant	69	1.9	82	39	47	9	5	104	302

as at close of business on Monday 19th October 1987						*as at 30th September 1987*					
						Geographical Spread					
Total Net Assets (1) *£million*	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) *pence*	Yield (5) %	Net Asset Value (6) *pence*	UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) *base=100*	Total Return on N.A.V. over 5 years to 30.9.87 (12) *base=100*
	INCOME GROWTH										
†	British Assets	Ivory & Sime	79	4.2	†	†	†	†	†	†	†
188	First Scottish American	Dunedin Fund Managers	446	4.1	529	97	2	–	1	105	378
86	General Consolidated △	Independently managed	407	4.9	453	75	21	–	4	90	374
†	Investors Capital Trust	Ivory & Sime	356	4.9	†	†	†	†	†	†	†
53	Lowland	Henderson	240	2.6	211	88	2	–	10	103	691
193	Merchants	Kleinwort Grieveson	159	4.6	186	80	15	–	5	98	352
220	Murray Income	Murray Johnstone	206	4.5*	237	77	10	–	13	104	470
289	Murray International	Murray Johnstone	194	3.9*	225	50	28	11	11	96	353
153	Raeburn	Lazard Brothers	488	4.6	561	68	19	9	4	96	312
232	Securities Trust of Scotland	Martin Currie Inv. Man.	119	3.5	124	68	19	5	8	102	414
	SMALLER COMPANIES										
15	Continental Assets (w)	Ivory & Sime	113	1.2	121	–	–	–	100	99	†
65	Dundee & London	Dunedin Fund Managers	376	2.3	389	87	10	2	1	96	370
80	English & International (w)	MIM	258	2.3	289	66	23	9	2	105	497
95	F & C Alliance	Foreign & Colonial	83	1.7	91	51	23	12	14	103	362
†	First Charlotte	Ivory & Sime	19	3.5	†	†	†	†	†	†	†
37	Fleming Fledgeling	Robert Fleming	230	1.5	296	79	19	2	–	98	392
26	Kleinwort Smaller Cos.	Kleinwort Grieveson	600	2.2	598	99	–	–	1	100	572
47	London Atlantic	Investors in Industry	355	2.8	411	78	8	–	14	98	415
43◆	London & Strathclyde	Gartmore	273	1.6	280	77	21	–	2	100	418
34	Moorgate (w)	Independently managed	238	3.2	242	93	1	–	6	95	522
34	North British Canadian	Investors in Industry	461	2.3	517	97	2	–	1	107	482
79	St Andrew	Martin Currie Inv. Man.	220	2.4	229	69	17	8	6	100	400
268	Scottish American	Stewart, Ivory	92	3.0	112	54	25	5	16	94	320
70	Smaller Companies Int.	Edinburgh Fund Mgrs.	139	1.0	155	80	8	12	–	107	423
24	Strata Investments (w) △	Henderson	139	0.5	151	54	20	11	15	95	†
304	TR Trustees Corp.	Touche, Remnant	123	2.4	154	73	20	6	1	108	368
386	Throgmorton (w)	Throgmorton Inv. Man.	499	2.6	616	99	1	–	–	110	502
	SPECIAL FEATURES										
93	Ailsa △	J. Rothschild	176	1.9	179	56	24	6	14	93	399
24	Consolidated Venture (w)	MIM	225	0.1	219	39■	60	–	1■	80	379
212	Drayton Consolidated	MIM	514	2.9	611	78	16	4	2	95	334
†	Ensign Trust	Merchant Navy Inv. Man.	96	1.4	†	†	†	†	†	†	†
66	Fleming Enterprise	Robert Fleming	132	2.4	157	100	–	–	–	109	485
389	Fleming Mercantile	Robert Fleming	206	2.5	242	75	22	1	2	80	362
43	Hambros Advanced Tech.	Top Technology	193	0.0	184	76	23	–	1	98	†
16	Kleinwort Development	Kleinwort Grieveson	250	2.7	265	100	–	–	–	69	†
†	London Amer. Ventures (w)	Hambrecht & Quist	52	0.0	†	†	†	†	†	†	†
74◆z	Murray Ventures (w)	Murray Johnstone	293	2.5	314	83	8	2	7	90	401
155	TR Property	Touche, Remnant	104	1.8	116	79	5	4	12	98	419
40	Throgmorton USM (w) △	Throgmorton Inv. Man.	148	1.5	201	99	1	–	–	105	†
30	Value and Income (w)	Stewart OLIM	55	3.1	58	99	1	–	–	125	†
	SPLIT CAPITAL (x)										
58	City & Commercial 88/98	MIM	1400	–	1485	80	9	9	2	105	463
45	Fundinvest 85/90	MIM	615	–	654	77	10	11	2	103	434
3	Marine Adventure 88	Thornton & Co.	440	–	391	32	12	2	54	130	507
69	New Throg. (1983) (w) 08	Throgmorton Inv. Man.	135	–	244	99	1	–	–	116	†
113	River & Merc. Trust (w) 00	River & Merc. Inv. Man.	100	–	187	73	27	–	–	97	†
†	River Plate & General 96	Jupiter Tarbutt	93	–	†	†	†	†	†	†	†
59	S. & P. Linked 95/97	Save & Prosper Group	770	–	1131	100	–	–	–	110	537
†	Scottish National 98	Gartmore (Scotland)	67	–	†	†	†	†	†	†	†
35	Throgmorton Dual △	Throgmorton Inv. Man.	418	–	786	100	–	–	–	–	†
121	Triplevest 87/91	MIM	1685	–	1771	91	8	1	–	106	403
63	Yeoman (q) △	Independently managed	152	–	157	92	4	–	4	142	†

NOTES TO THE TABLE

†	No data.
*	Applies to Ordinary/"A" Ordinary only.
■	More than one quarter in non-equity investments.
(x)	Capital shares and winding-up dates.
z	Incorporates recent revaluation of unlisted investments.
ac	Adjusted for scrip issue.
ar	Adjusted for rights issue.
(q)	Published quarterly.
(w)	Company has warrants or options in issue.
◆	More than 20% in securities or other assets included at directors' valuation.
△	The Trust has provisions for a limited life. Please refer to the company for further information.
n	Figures not directly comparable with previous month.

Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. Ltd. members of The Stock Exchange. The figures in Cols 1&6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent.

Investment Trusts
ASSOCIATION OF INVESTMENT TRUST COMPANIES

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	420
F.T.-Actuaries All-Share	389
* Standard & Poors Comp.	320
* Tokyo New Stock Exchange	805
* Morgan Stanley Cap. Int. World	428

+ Excludes split capital.
* Adjusted for exchange rate changes.

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London EC2M 7JJ. Tel: 01-588 5347.

We have the answers for you at the Investment Trust Centre, Stand 1473/1372, The Money Show, Olympia, London. 5-8 November 1987.

HOW to *INVEST* *in the* STOCKMARKET IN GOOD times AND Bad.

Roland Adburgham test-runs some Austrian ski slopes

Tyrolean sparkle

AT 9 am, the village was still swathed in the cloud that had brought the previous night's snowfall. It was 10 degrees Celsius below freezing. The chairlift, winding its laborious way up the mountain, was virtually empty.

Then, as it climbed above the treeline, there was one of those moments which can transform the most disenchanted skier, cursing everything from traumatised toes to icy eyebrows, into a state of exhileration.

At 1,500 metres, the chairlift emerged into sparkling sunshine. All around, the mountain peaks floated like icebergs on the sea of clouds in the valley. *At the highest point* of the piste, there huddled a hermit-sized, shingle-roofed, stone chapel with a lonely bell. Just below, a short traverse away across the snow, a timbered gasthof offered temporal comfort.

The setting was Niederau in the Tyrol and the promise of such pleasures is one reason why Austria remains the favourite destination of British skiers. It is claimed by the national tourist office that as many British skiers go there as to all other skiing countries put together. Seasoned skiers may want to search further afield, but even they will acknowledge that Austria epitomises that maybe folksy, but still alluring, image of a winter sports holiday.

There are the onion-domed, pastel-washed churches, mellow chalets with log stacks outside, sleigh rides through fairy-tale forests, chamois deerskulls nailed to the wooden walls of the gasthofs, where there is *gulasch* soup and *gröstl* (diced beef mixed with fried potatoes) and *jägertee* (the latter a comatosing combination of two fingers of rum, two of schnapps and just one of tea.)

At the mountainside taverns, warmed by woodburning stoves, there is an amiability not always shown in other countries to the foreign skier—even the rotweiler guard dogs are more soppy than slavering. There is, too, a cleanliness unassociated with rustic charm—more than likely, the taverns will have pristine electronically-flushed toilets.

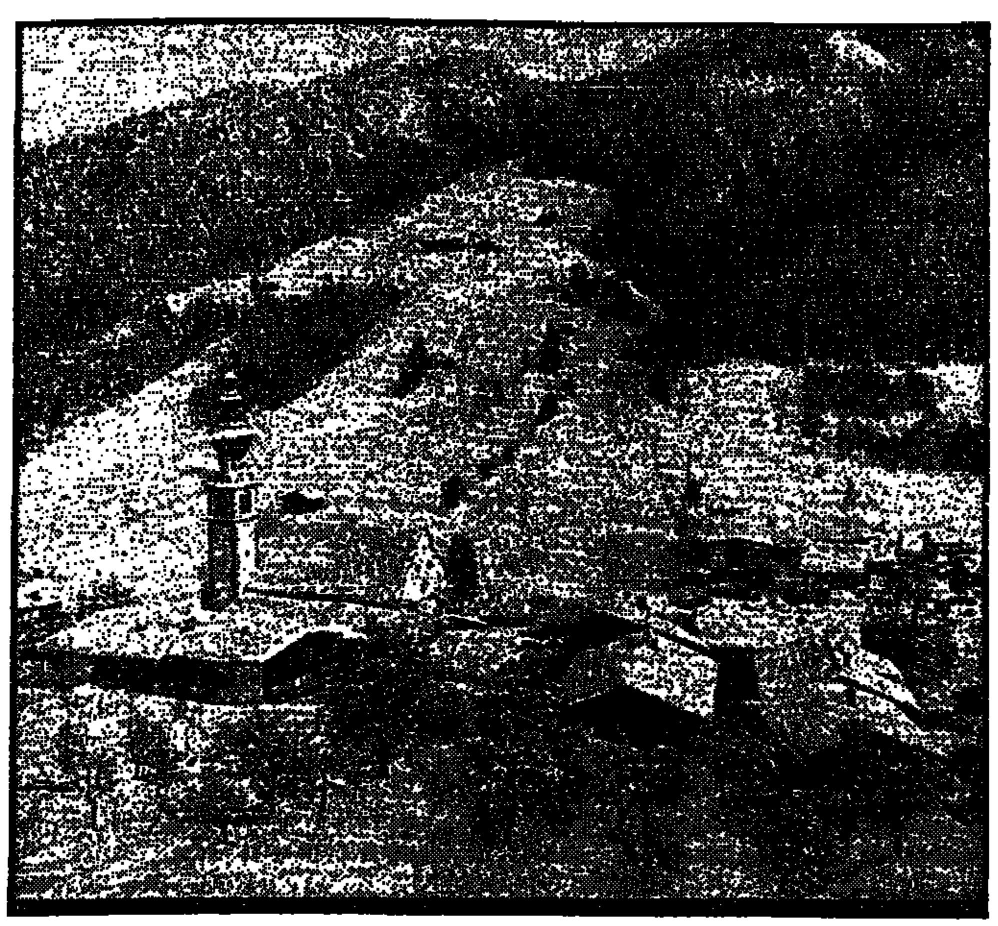
Last January, I tried two variations on the Tyrolean theme: Innsbruck and the Wildschonau valley, 30 km west of Kitzbuhel. Both areas, in their differing ways, give an uplifting insight into all that is offered by downhilling.

Innsbruck, desipte being familiar as the home of the 1964 and 1976 winter Olympics, does not strike one as an obvious choice for a skiing holiday. Few British tour operators put up their clients in the city itself — it is more popular with Americans, who like the comforts of a well-heeled city (it has a population of 120,000). But Innsbruck, given that it has no fewer than 10,000 hotel beds, wants to attract more winter visitors.

The city sees itself as appealing to a special category: families and groups where not all members want to punish the pistes (or themselves) and where some want the distractions of an 800-year-old cosmopolitan city—the cobbled old town, with its "romantik restaurants" and rococo cathedral, is preserved and restored to an operatic degree.

Its airport, to which Dan Air flies, offers some of the shortest transfers possible—10 minutes from airport to hotel. A Club Innsbruck card, membership free for anyone who stays at least three nights in the city, acts as a bus pass to the five skiing areas within reach, all covered by the Innsbruck ski school. The school is organised on Austria's well-proven principles, with instructors of elegant style and idiomatic English. ("Look into the eye of hell," was our instructor's constant exhortation to face the steepest part of the slope.

The skiing in the five areas is individually limited and unlinked but not without variety. There is Igls, featured by several British tour operators, and with the 4.7km Olympic men's downhill run. Mutters has smooth "autobahn" runs and a vertiginous view of Innsbruck far below, straddling the bottle-green ribbon of the River Inn. At Axamer Lizum, which is purely a ski station and has the widest choice of runs, a funicular whisks skiers sky-bound to over 2,300 metres.



Oberau is in the Wildschönau valley, typical of the smaller Tyrolean ski areas

The pistes there include the sweeping run of the Olympic women's downhill in the shadow of the fierce Kalkkhogel precipices. An entrancing 7km run flows through the trees to the farming village of Gotzens, with frescoed farmhouses and one of the finest baroque churches in the Tyrol.

The drawback to Innsbruck is commuting by skibus: it takes at least half an hour to reach the slopes. Once there, you can be stranded: the bus is not a shuttle and an early return, before the lifts close, might require a cab—or ideally your own car.

In contrast to the urbanised flavour of Innsbruck, the Wildschonau valley is typical of the smaller Tyrolean ski areas. There are three villages, of which Niederau is the largest; the local tourist literature boasts that each has its own "folklore groups, brass band and fire brigade." Its easygoing style may not be chic and nor is it cheap (a gluhwein can cost £2), but it does provide that anticipated atmosphere.

It is beginners and early intermediates who will most enjoy the region. The Wildschonau is not as rugged as it sounds and most of the skiing is below the treeline, on wide pistes rather than icy funnels. Although its hills are relatively low, the valley is said to be in a "snow pocket" with reliable conditions.

A regular bus from Niederau runs to Oberau and Auffach, which from 1,900 metres has a range of runs opened up two years ago by a long gondola lift, whereas Niederau relies on two chairlifts for the initial climb and these can become clogged with people as ski school starts.

The ski school at Niederau is run by Sepp Schellhorn, who has down-to-piste advice on the bewildering choice of ever-more high-tech skis: "All you need is good edges and, if you like going fast, a longer ski and, if not, a shorter ski, because it is easier to turn." Should one doubt his word, he has, at his pension guesthouse, an unarguable array of 220 silver cups and trophies.

Sepp is a laconic man, born in the valley and with no reason to leave. On a day of clear sun and fresh powder, he merely comments: "Weather fantastic, snow fantastic." Most skiers would find those words sufficient.

● ***Resort details and further*** **information from Austrian National Tourist Office, 30 St George Street, London W1R 0AL (tel: 01-629 0461). Dan-Air has a scheduled service from Gatwick, London, to Innsbruck on Saturdays and Sundays from December 19 to March 26; Apex return fare £115.**

Robin Lane Fox wakes up to Swiss prices

EC surplus on skis

FOR A WEEK, my family was "le roast-beef," hanging on meat hooks. We were even dumped on a European mountain. Are tourists, now, being added to the EC meat surplus? In fact, the mountain was just below Mont Blanc; "le roast-beef" was the locals' name for a English ski-novice; the meat hooks were those dangling bits of metal which haul beginners up a gentle slope. And we were not trying family life in cold storage. Late in time, we were learning to ski.

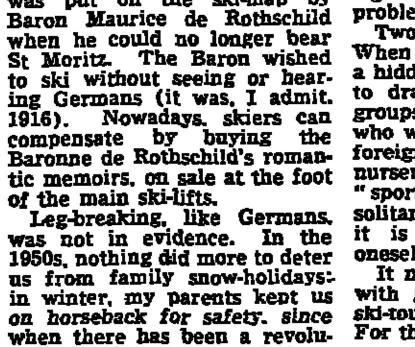
Non-skiers probably share the four beliefs with which we began: in a week, nobody can learn much; there is a high chance of breaking a leg; aged 40, with long limbs, you have little hope of overtaking the under-12s; nowaday's you have to pick your country carefully. Two of the four turned out to be true.

If sterling crises usually pass you by a day with ski-bags at Geneva airport will wake you up. It would have cost us £40 to leave our luggage for five hours in the baggage-dump; another £30 would have taken us from the airport to the station and back again. Evidently, Switzerland is out of the question for the non-City family man. One dinner and a day on the Swiss meat hooks would have bled this bit of roast-beef white.

For the money, it has to be France or Italy. Fortunately, we had been invited to France, up into the Haute Savoie to the pistes above the small town of Megève.

Buses run early or late in the day from Geneva, an hour-and-a half's journey: taxis are only *£10*, more *if you are travelling* with a family, but do try to hire one from Megève itself so as not to pay in Swiss francs. If the journey seems long, console yourself that Zermatt would be very much further. Hardened skiers must reckon to pay the cost of another full airfare from Gatwick to Geneva in order to cart their family from the airport to the snow line and back again.

Change your money, too, before you leave Britain. No bank in the mountains offers a rate within 5 per cent of the officially quoted exchange-rate, even for a traveller's cheque, and commission is extra. Otherwise, Megève has particular charm. The snow is suitable until mid-April: two days out of eight were wet or windy, apparently *a fair average for the* sport. The town centre is chic, but not too spoilt. And nobody wears national dress or plays the accordion.



Admittedly Megève has a history as an alternative resort. It was put on the ski-map by Baron Maurice de Rothschild when he could no longer bear St Moritz. The Baron wished to ski without seeing or hearing Germans (it was, I admit, 1916). Nowadays, skiers can compensate by buying the Baronne de Rothschild's romantic memoirs, on sale at the foot of the main ski-lifts.

Leg-breaking, like Germans, was not in evidence. In the 1950s, nothing did more to deter us from family snow-holidays: in winter, my parents kept us *on horseback for safety. since* when there has been a revolution in ski-lengths and fittings. Skis are shorter and the safety binding is to novice skiers what the drop noseband is to riders: it stops you twisting your leg into pieces and greatly speeds up the learning-curve.

Agility is not the children's problem, but do you simply abandon them in ski-school? If you are a ski-starved nanny, it pays to be tough. "Unless you both stop crying and get into your different classes," I heard one shouting, "I'll put you both at the top of the highest mountain and leave you to find your own way down. Now, Jacques, which is the biggest mountain after Mont Blanc?"

Forewarned, we avoided ski-school (£6 an hour) and used a *personal tutor (£12 an hour)*—twice the price but ten times the value. After six hours' teaching, the children were off the nursery-slopes, christying down a medium-steep piste and regarding snow-plough turns with the contempt which newcomers reserve for their recent past. It is quite untrue that children need a fortnight to get anywhere. Pay for private lessons and save the time abroad.

What, lastly, about the over-40s? It depends, I think if they really want to learn and if they have ever loved horses. Half an hour's sidestepping uphill *may make you wonder, for* snow-plough stops are not well suited to the man with long legs and a history of cartilage problems.

Two difficulties beset me. When going directly downhill, a hidden homing-device seemed to draw me straight into the groups of little Arab princes who were trying to ski without foreign collision on the lower nursery slopes. Before long, the "sport" turned out to be a solitary competition. Like golf, it is merely played against oneself.

It might, I suppose, compare with galloping, but no British *ski-tourist* manages *jumping.* For the mature horseman, level ground and two bits of wood are a very poor substitute. It might seem friendlier if the ski-tips could be fitted with imitation horse-ears, but where is the shared relationship with an animal's will—bouncy, unpredictable, and responsive to love and correction?

Stuart Marshall reviews Motorfair

Stars to stare at

IF LONDON'S cars-only Motorfair and last month's vast Frankfurt Show have anything in common, it is the near-monopoly of really interesting exhibits held by the Japanese manufacturers. Just consider *two of the stars of the show*—the Honda Prelude with four-wheel steering and the Toyota Celica GT-Four.

Four-wheel steering, I am firmly convinced, will be seen in a few years' time as a watershed as significant as Audi's introduction of permanent four-wheel drive for road-going cars with the Quattro turbo coupe of 1980.

At the moment, the two-litre, 16-valve fuel injected Prelude is the only car you can buy with 4WS. It costs £14,100 with a five-speed manual gearbox, £14,850 with two-range (sport and economy) automatic transmission. It ought *to be Car of* the Year 1988, or at least be second favourite for the award after the BMW 750i V12.

That is my view but I doubt it will be the jury's. The 50-plus members have nationalistic feelings and a Japanese car has never won. I will be looking at the runners and riders next week.

The Toyota Celica GT-Four is on show at Motorfair but will not be on sale in Britain until early next year at a price expected to be just under £21,000. It has a two-litre, four-cylinder, 16-valve engine, turbo-charged and intercooled and *putting out 185 horsepower at* 6,000 rpm compared with the standard Celica GT's 147 horsepower.

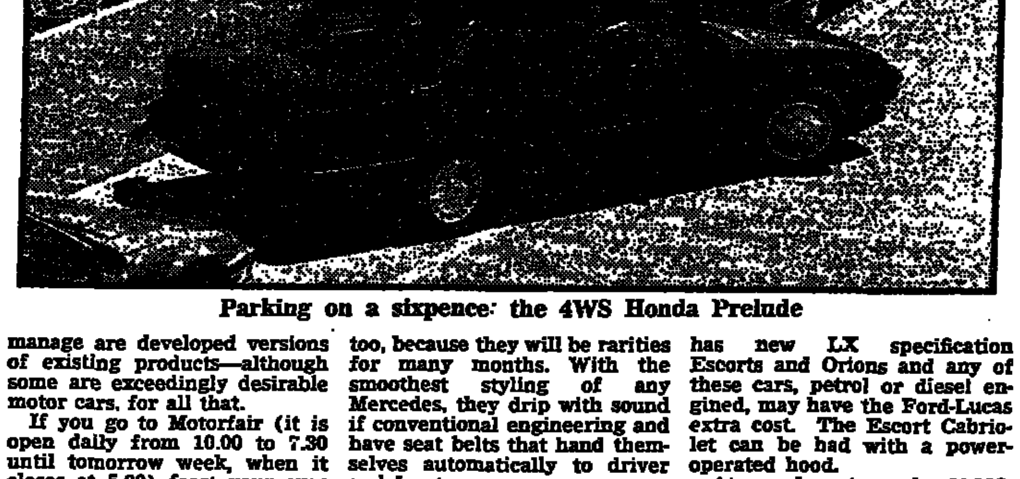
It is expected to be the first car to be available in Britain fitted with a catalytic converter to clean up the exhaust to the strictest European standards, and has to run on lead-free fuel. The GT-Four looks much the same as the normal Celica GT but has wider tyres, ABS brakes and a knock sensor to prevent poor grade fuel from damaging the engine.

The transmission splits the drive equally between front and rear wheels. That means GT-Four *owners will be able to* exploit its massive acceleration on wet roads as easily as on dry ones, and will not find themselves stuck on gentle hills when the first snow falls. Air-conditioning is part of the package. So are power steering, electric windows and central locking.

If you want to know what a high-technology sports car of the early 1990s will look like—always assuming that such things will still be legal—imagine a developed version of the GT-Four with four-wheel steering, or a turbocharged Honda Prelude 4WS with all-*wheel drive. It is a safe bet* that such a car will be Japanese.

A four-wheel-steered Mazda 626 GT coupe is on show at Motorfair and goes on sale in the UK next spring. And Subaru, which pioneered selectable four-wheel-drive for road cars of modest performance more than 10 years ago, has realised that high-performing 4x4s need a permanently-engaged system. The new 4WD XT sports coupe has one, with a choice of five-speed manual or four-speed automatic transmission.

After the innovative technology of the Japanese exhibitors, the European makers' stands at Motorfair may seem a bit tame. The best they can manage are developed versions of existing products—although some are exceedingly desirable motor cars, for all that.



Parking on a sixpence: the 4WS Honda Prelude

If you go to Motorfair (it *is* open daily from 10.00 to 7.30 until tomorrow week, when it closes at 5.00) feast your eyes on the V12 BMW 750iL, even if its £53,750 tag makes it only the stuff of which dreams are made. *One consolation: even if you* had the money you could not buy one until late 1988, because the entire first-year allocation of 200 was sold before a single car arrived.

The Mercedes 230 and 300 CE coupes are worth a close look, *too,* because they will be rarities for many months. With the smoothest styling of any Mercedes, they drip with sound if conventional engineering and have seat belts that hand themselves automatically to driver and front passenger.

All Audi Quattros now have ABS brakes as standard. Austin Rover is showing a 1275 Metro *Sport with a 73* bhp engine at a reasonable £5,800, although whether a performance-minded driver would settle for a four-speed gearbox and an aged push-rod engine is questionable.

The Citroen AX GT makes its world debut at Motorfair. Ford has new LX specification Escorts and Orions and any of these cars, petrol or diesel engined, may have the Ford-Lucas extra cost. The Escort Cabriolet can be had with a power-operated hood.

At a down-to-earth £4,998, Hyundai is showing a "starter" version of the Pony three-door hatchback aimed at first-time *new car buyers* who are short of funds but want something better than an Eastern bloc antique.

Jaguar is showing its 1988 models, which have gone up in price slightly but have improved specifications. Nissan majors on its British-made Bluebird saloons and hatchbacks. Peugeot is exhibiting a pair of the new 405s although the Coventry-assembled cars with right-hand drive will not be on sale until early next year.

Porsche has some new variants of the evergreen 911, of which 250,000 have now been made. Renault's stand features the very fast and refined 21 Turbo, due in Britain next spring.

Also on the Renault stand is Vesta 2, the 125 miles per gallon (1.94 litres/100 kms) super economy concept unveiled at Frankfurt. This four/five seat microlight motor car could be the shape of things to come, especially if there is another oil crisis in the next five years. Seat, too, is aiming near the bottom of the market with a five-door version of its Ibiza 900 although the three-door continues to be available.

Toyota's new Corolla range, which accounted for almost 50 per cent of the importer's British sales last month, is worth a look because each of the models, from the 1.3-engined family saloon to the very fast 16-valve GT, is as good as anything in its class.

The large Vauxhall Senator is a Granada — even a BMW — rival and new for Britain is a GTE version of the Nova, said to be good for about 110 mph (177 kmh) and due in the spring.

Volkswagen has increased the list of factory-fitted options available on the Polo, Golf, Scirocco and Passat and Volvo's stand features the restyled 760. The bonnet is lower and less angular and the independent rear suspension is the first on a Swedish-built Volvo.

Weekend Business

Businesses for Sale

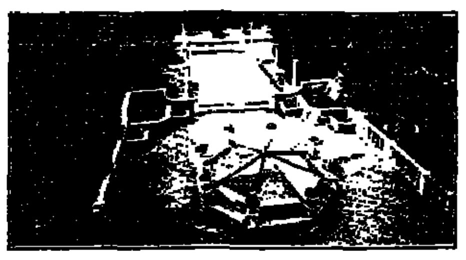
Businesses for Sale

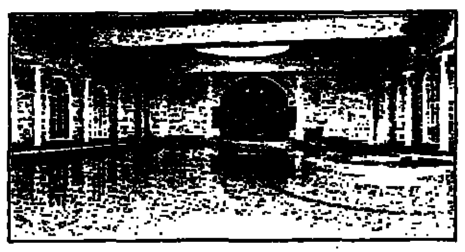
Motors

Personal

Country Property

Hampton & Sons





BLACKHEATH, S.E.3.
Central London only 30 minutes drive and ideal for access to the City. M2 5 minutes drive. M25 15 minutes drive. The most exceptional and individual house to come onto the market, constructed as an architectural art form to a highly innovative and spectacular design with specialist finishes at every stage of construction behind the period facade. Outstanding features include: 2 magnificent swimming pools (one indoor), landscaped gardens with pond, enormous reception areas for impressive entertaining, library, 5 bedrooms, 5 bathrooms. Only an inspection can show the specific and unique style achieved. For sale Freehold. London Office. Tel: 01-493 8222

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An imposing country house in a superb rural situation. Entrance hall, cloakroom, drawing room, dining room, sitting room, kitchen/breakfast room, utility room, master bedroom with en suite bathroom, 5 further bedrooms, 2nd bathroom. 30' pine log cabin/games room. Heated swimming pool. Garaging for 4 cars. Range of outbuildings. Delightful gardens and paddock land of about 25 acres in all.
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Sevenoaks Office (0732) 460222

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HEVER, KENT - 25 ACRES.
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Substantial offers invited for the Freehold.
Joint Agents: Fox & Manwaring, Edenbridge (0732) 826194 and Hampton & Sons, Sevenoaks Office (0732) 460222

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Easy reach of M25. A spacious and comfortable family house enjoying rural surroundings. 2 master suites, 7 further bedrooms, 3 further bathrooms (2 bedrooms and a bathroom are currently used as a staff flat), hall, cloakroom, 3 reception rooms, games room, 2 kitchens, breakfast/sun room. Self-contained staff annexe. 2 garages. Carport. Indoor swimming pool. Extensive grounds of about 13 acres (5 ha).
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Head Office 6 Arlington Street St. James's London SW1A 2RB

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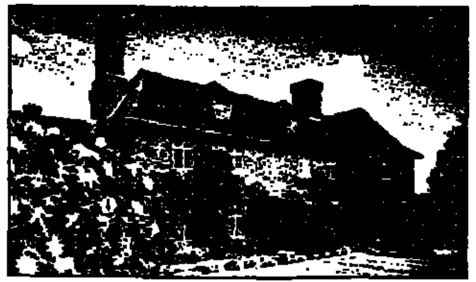
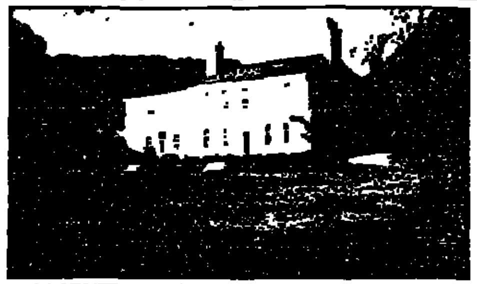


WEST SUSSEX - HENFIELD
Brighton 9 miles. Haywards Heath 14 miles. (London Bridge and Victoria approximately 45 minutes). A23 3½ miles. Central London 45 miles.
A fine compact estate with an imposing country house set in magnificent gardens and grounds and with planning consent for an 18 hole golf course and country house hotel. Reception hall, 3 reception rooms, billiard room, study, kitchen/breakfast room, extensive domestic offices, 6 bedrooms and 3 bathrooms. 5 secondary bedrooms and bathroom. Three bedroom cottage. 4 car garaging. Gardens and grounds. Vineyard and trout lake. Substantial range of traditional and modern farmbuildings. Railed paddock, pasture and woodland. About 180 acres. Joint agents: William Hillary & Co., Close Gate House, 47 High Street, Salisbury, Wiltshire. Tel: (0722) 27101. Strutt & Parker London office: Tel: 01-629 7282. (Ref.1AG10090)



WORCESTERSHIRE
Worcester 8 miles. Birmingham 35 miles. M5 11 miles.
An outstanding *Grade II listed Georgian house* in a superb setting on the edge of a village. Hall, 3 reception rooms, kitchen/breakfast room, 6 bedrooms, dressing room, 3 bathrooms. Oil central heating. Superb range of period buildings with conversion potential. 3 bedroomed cottage. Heated swimming pool. Landscaped gardens incorporating lake. 2 paddocks. About 4½ acres. Region £350,000.
Cheltenham office: 8 Imperial Square. Tel: (0242) 245444. (Ref.11AC314)

WILTSHIRE
Salisbury 5 miles. Winchester 15 miles (London Waterloo 55 minutes)
A unique and superbly appointed architect designed house in a quiet position on the edge of a village with marvellous views.
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SUSSEX
Haywards Heath 3 miles.
A magnificent country house commanding an elevated position with uninterrupted rural views to the South Downs. 3 reception rooms, 6 bedrooms, dressing room, 3 bathrooms. Superb barn. Coach house with planning permission and extensive range of traditional outbuildings. Beautiful park-like grounds and paddocks. About 36 acres.
Lewes office: 201 High Street. Tel: (0273) 475411. *(Ref.6AC4198)*

SURREY
Croydon 3 miles. (London Bridge/Victoria 25 minutes) M23/25 6 miles. Central London 14 miles.
A fine Edwardian house with magnificent landscaped gardens in sought after location. Reception hall, 2 reception rooms, billiard room, master bedroom and bathroom suite. Guest suite of bedroom and bathroom, 3 further bedrooms and 2 bathrooms. Swimming pool complex:- heated pool, changing rooms, sauna and jacuzzi. 3 car garaging.
About 1¼ acres. London office: Tel: 01-629 7282. (Ref.1AG10104)

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Heated Swimming Pool. Hard Tennis Court. Excellent Outbuildings. *Garden and Paddocks.*
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(Ref: CDS/05550)

Herefordshire

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(KGM/03042)

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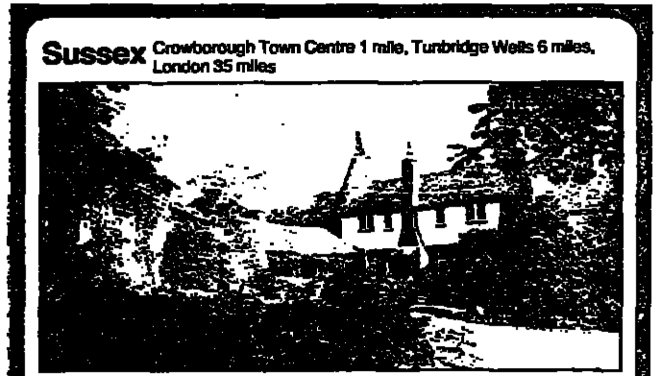

A very attractive converted oasthouse and cottage in an outstanding rural setting.
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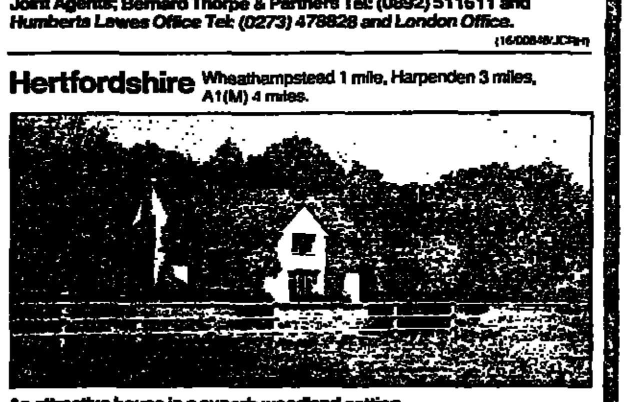
Hertfordshire Wheathampstead 1 mile, Harpenden 3 miles, A1(M) 4 miles.



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The brick built house comprising 4 bedrooms, 3 reception rooms, kitchen, bathroom and additional accommodation. Garaging. Attractive mature garden, woodland and a ten acre grass paddock. An additional 71 acres of land available in 3 lots.
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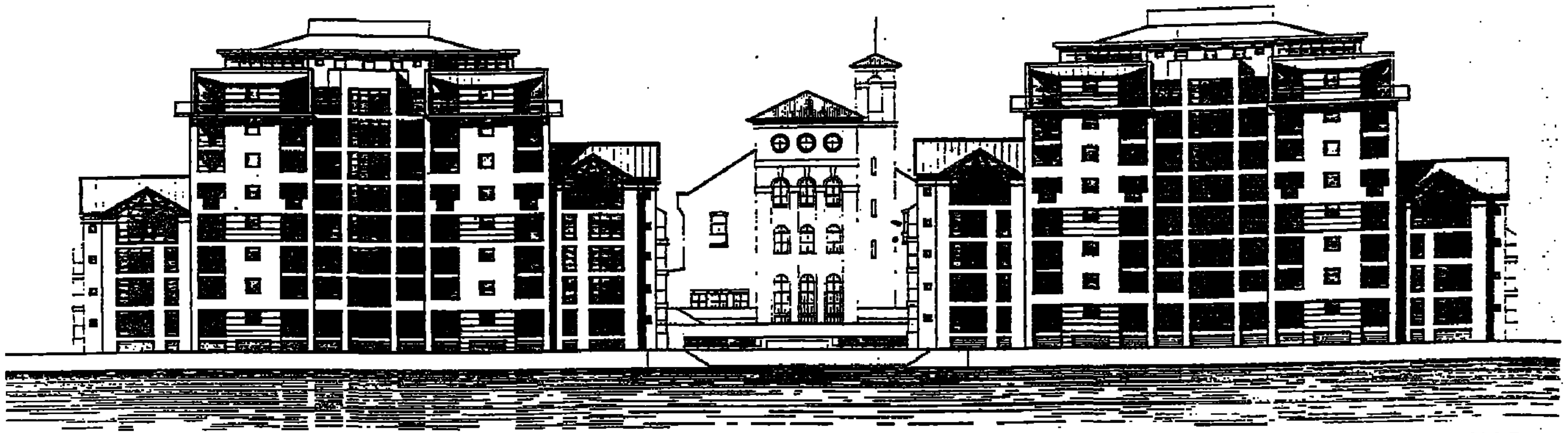
London Property

Into the price barrier



An artist's view of the riverfront elevation proposed for Burrell's Wharf on the Isle of Dogs

IN AN AGE of residential alchemy the least prepossessing buildings can be transformed into homes. Immerse an electricity sub-station, a bus depot, a semi-derelict council tower block or any warehouse you care to mention in a rich enough mixture of high-priced demand for homes, and out pops yet another prime flats conversion positively oozing character.

Trafalgar House's Ideal Homes have achieved just such a transformation in Chelsea with a strikingly successful reconstruction of the former Kensington & Chelsea Moravian Tower, a council high-rise now renamed 355 King's Road. Fitch & Co applied its office and retail design skills to a recladding and interior rebuilding job that has converted an unsuccessful, leaking concrete slab of a building into 50 good one, two and three bedroom flats plus three substantial, newly-built duplex penthouse flats.

More than 500 people turned up to view the flats in the first three days of pre-selling the block, and all 50 of the flats in the first 12 floors of the block have been reserved at prices from £120,000 for a 500 sq ft one-bedroom flat to £250,000 for 900 sq ft, three-bedroom units.

Ranging from £240 to around £280 a sq ft, the flats in 355 King's Road are not out of line with conversion space in SW3, and as Peter Farrar of sole agents Farrar Stead & Glyn (01-351 3551) says: "Sales have been about evenly spread between investors, owner-occupiers and people who want a *pied-a-terre* in town."

The flats are being completed from the top down, with completion dates into early spring next year. The penthouses won't be formally marketed until January, and although prices haven't been fixed, after the sales success so far, Farrar says: "We'll be talking in terms of half a million, plus."

Put an "E1" rather than an "SW3" postcode on a reconstruction project and, given the traditional fashion bias towards west central London, one would assume that different pricing standards apply. It would seem reasonable that flats on the King's Road would sell at a premium to equivalent flats on West Ferry Road on the Isle of Dogs.

However, residential costs per square foot are not dissimilar, and in some Docklands development schemes are substantially higher than in Chelsea.

Since there have been more examples of residential alchemy in London docklands than anywhere else in the country, it's fair to ascribe a special status to Wapping, Limehouse, the Isle of Dogs, the Royals and Beckton, as well as the southern stretches of former wharfside territory on the south bank by the City and along to the Surrey Docks.

But much of that special status dates from the days when riverside warehouse conversions were a novelty.

That was before much of the new building moved from mellowed warehouses close to the City to what are often bleak open sites (which are near the City as the crow flies, but which do not feel anything like as near if you are not a crow and have to hiccup along at a stately pace on the Docklands Light Railway, brave flotsam and open piers by boat, or drive through the building sites on roads that will be, but are not as yet, substantially improved).

£200 to £300 plus per square foot for riverside apartments in Wapping is one thing but head further east to the Isle of Dogs and, when you can still find prices at that level being quoted for flats; it is not unduly surprising to discover that, as Martin Burney of the Docklands Property Centre says: "Developments are hitting a price barrier."

Burney is remarkable among residential agents in being one of the most universally disapproved-of salesmen in the business. You would have to travel a long way in Docklands to find anyone whose name turns up more frequently in conversation, and whose activities—real or imagined—spark more criticism.

> 'There are certain danger signals just now as the market has got to catch up with developments'

Burney himself is not in the least bothered by other agents' attitudes to him since their reservations are not shared by the paying customers.

He does know the market better than most, and believes "there are certain danger signals at the moment, as the market has got to catch up with the developments."

As he says, higher priced properties have become increasingly hard to sell in recent months. There is still substantial demand for anything up to £100,000-£120,000 or so, but look higher up the price scale and there are no queues for the bigger flats, even where they represents a comparative bargain in terms of cost per square foot.

"In many of the developments the cheaper flats sell out immediately, but the bigger, more expensive ones have got stuck. Developers have to ask themselves if they are selling the right product."

He believes that selling prices may have moved more into line with Docklands' asking prices by next year while it is a hard slog for agents holding £200,000-plus properties on their books when most of their clients are in the market for places not much more than half that price.

Deep down in the heartland of the docks, past the splendid isolation of the Daily Telegraph's new buildings to the western tip of the Isle of Dogs, the West Ferry Road leads to one of the many residential sites that Burney has sold—in this case the former Johnson Matthey dye works at Burrells Wharf.

This is a classic example of both residential alchemy and of how sensitive development marketing has to be to the market.

It takes a lot of imagination to see how this collection of nearly 40 mainly 1830's industrial buildings on the otherwise largely barren wharf space of the Isle of Dogs could be transformed into a collection of 310 flats. But that's the plan of the present owner of the 4.5 acre site, Kentish Homes.

Recognising the current state of the local market, Kentish has purposefully aimed the first, 94-flat phase of the development at buyers in the £110,000 to £115,000 price range with a number of larger units priced up to £150,000.

In a part-refurbishment, part-rebuilding of two existing parallel rows of early Victorian industrial buildings, the first phase will create four decks of 650 to 700 sq ft studios and flats, with a number of 850 sq ft units at the ends of the buildings. These flats don't have direct river views, and some will lose their existing sideways glimpse of the river when the next phase of flats are built. But the prices recognise that.

Phase two consists of two new nine-storey blocks planned for the river front of the site where startling, almost triangular-shaped apartments have been designed which allow for a river view from every single room. These flats haven't been priced yet, but Kentish's chairman, Keith Preston, and sales agent Alan Selby are currently talking in terms of £220,000 to £250,000 a time for these 800 to 900 sq ft flats.

What helps to lift Burrells Wharf out of the usual is the scale of its exiting core buildings. At the heart of the site is the old Plate House, where the metal sections for Brunel's Great Eastern were forged between 1855 and 1858 when what was then the largest ship in the world was launched from the site.

The vast hall in which Brunel drove metal workers to distraction with his constantly revised specifications for the metal skin of the ship now looks like some avant garde stage-set for an industrial opera. Half a dozen Rhine maidens forcefully singing out of tune and a few operatic gods with a passion for smelting wouldn't be out of place in this tumble of girders, abandoned dye vats, and all the rest of the debris of an imploded factory.

Among this mess, Preston cheerfully points out where the swimming pool will be, where the sauna will be, the site for the wine bar and community space as well as the specialist craft studios that will line mezzanine floors hung on the still-solid structural frame of the building.

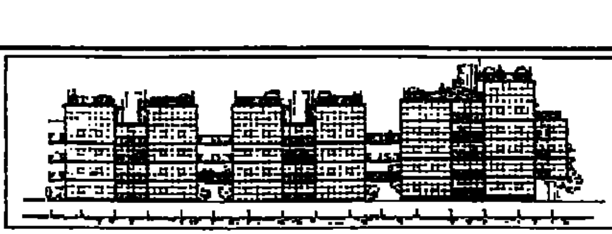
Another 18 flats will be put on new space at the top of this building when it has been cleaned up and refitted, and these will look out over the river site and over shop and small office space planned for other parts of the largest complex of listed buildings on the Isle of Dogs.

Parking, at around £7,500 a space, and 125 year leases with what Preston and Selby claim will be modest annual service charges, should draw in the 10 per cent exchangers for the first phase sales on November 7 when the site sales office (01-538 5421) opens.

At Burrells Wharf, Brunel's achievement in creating the Great Eastern *is*, of course, slightly compromised by the fact that the project was a commercial fiasco, virtually broke the great engineer in its execution and that the ship stuck fast on its slipway on its launch day.

Preston and Selby will be expecting a less traumatic launch day on November 7.

John Brennan



London Property

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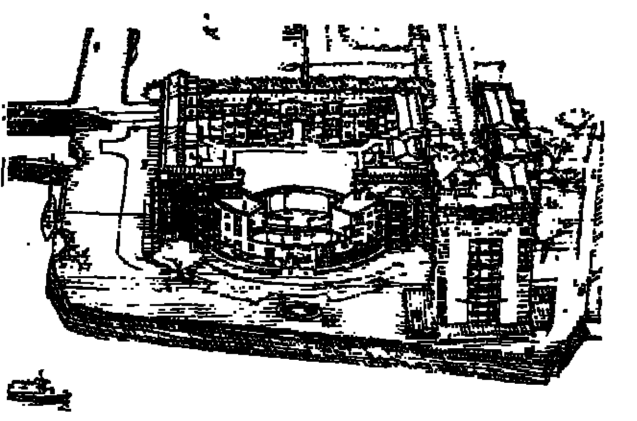

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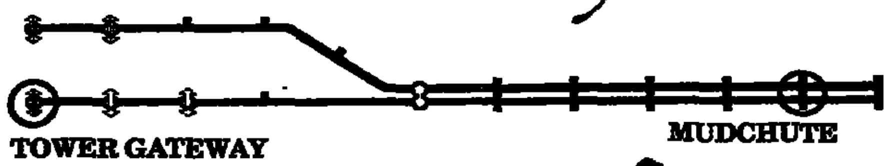

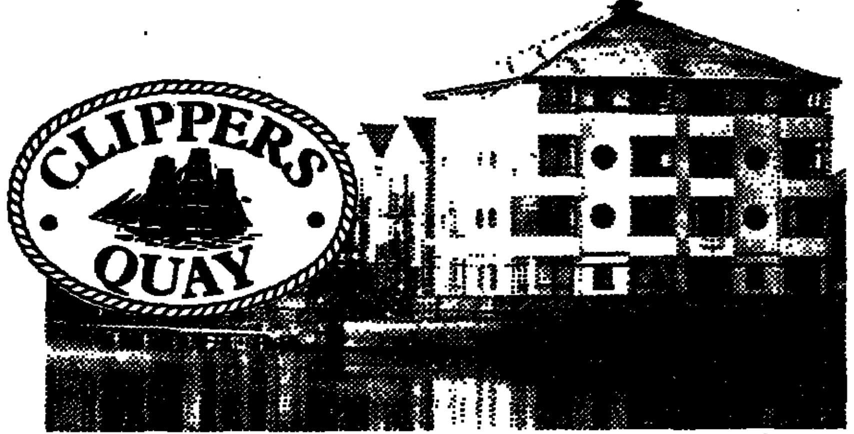

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herrington green

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ASHWORTH Road is the tranquil tree-lined setting for this splendid spacious, two-storey family house with self-contained nanny annexe above.

Amply proportioned double aspect drawing room, large dining room, big kitchen/family room, 4 double bedrooms, bathroom and ground floor cloakroom. The nanny annexe has its own kitchen and bathroom.

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£475,000

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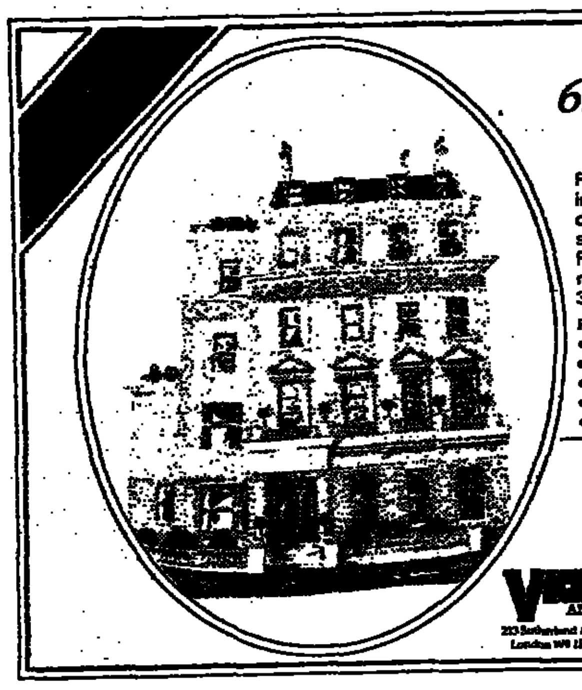

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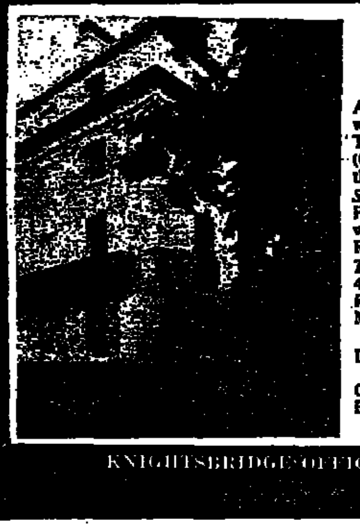

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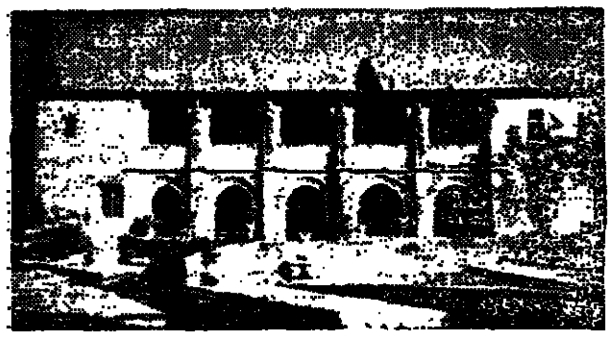

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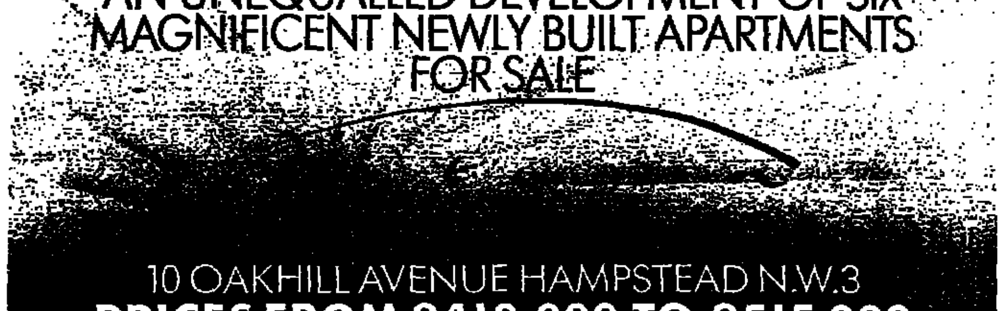

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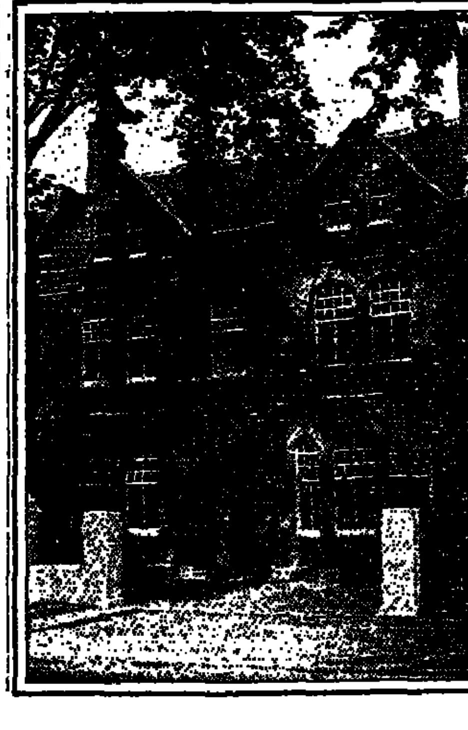

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London Property

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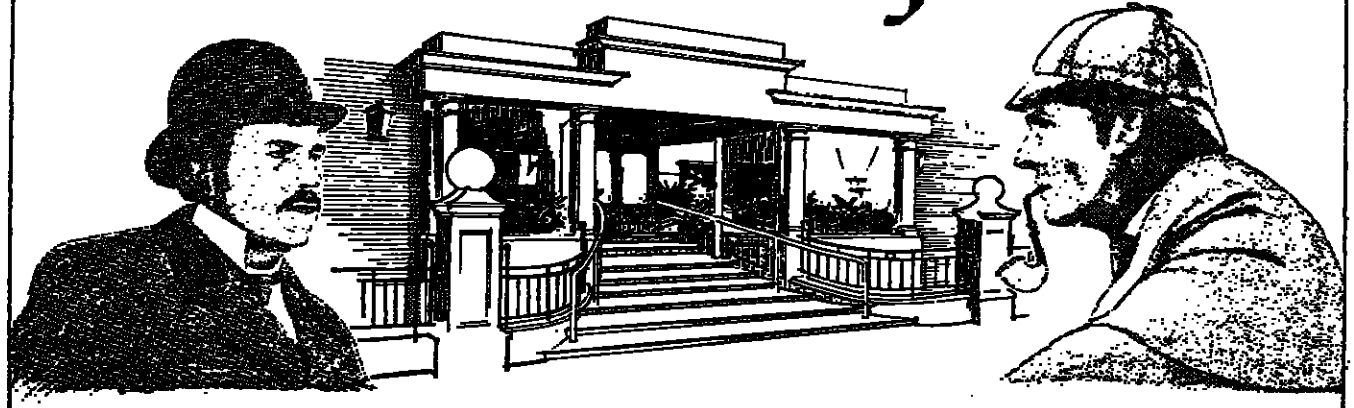

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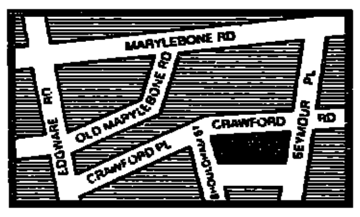

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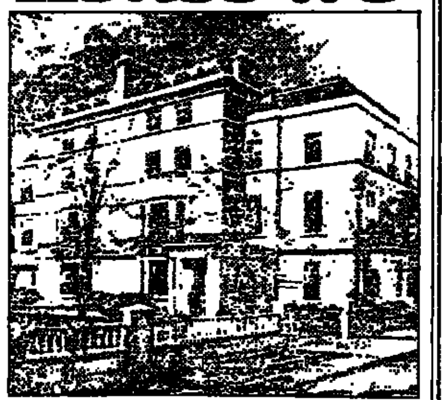

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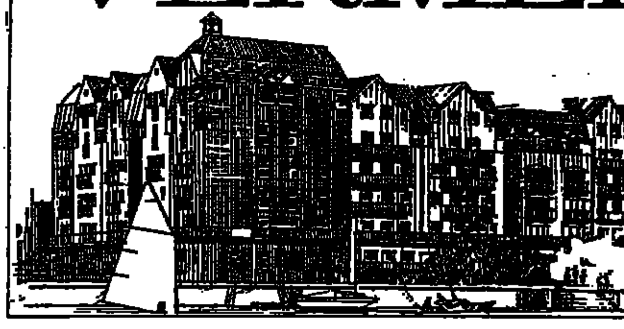

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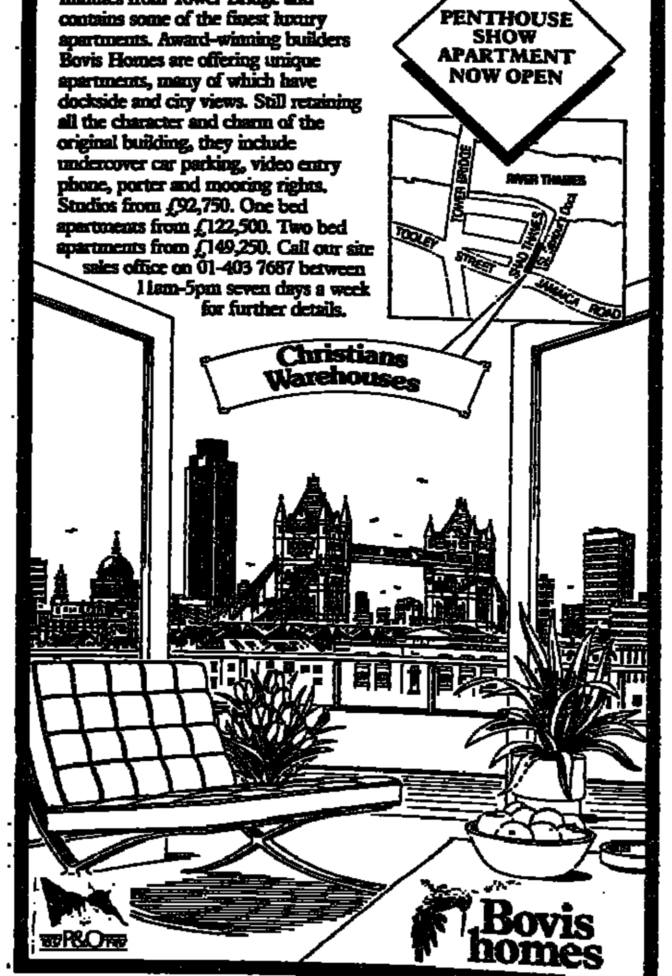

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GARDENING

Calm after the storm: advice on how to deal with battered trees

Snap decisions

ONE of the most puzzling things about last week's great blow was that trees growing in coppices suffered far worse than those that were isolated. Maybe it had something to do with turbulence caused by the wind between the trees. Or maybe isolated trees have more extensive root systems, though this would not account for the many snapped off many feet above ground level.

My clear-up involves at least 30 trees, many of them well over 60 feet high. It is going to be a slow job and we will probably have enough firewood for at least five years.

Except where such trees are blocking roads or drives, or have not yet fallen flat and so still constitute a danger, or are actually lying on buildings or other trees or bushes, there is no need to hurry about this work. The trees look unsightly but are doing no harm and are beyond rescue.

Many small trees have been heeled over but their roots are still largely in the soil. It will be possible to push, jack or wynch many of them upright and then support them securely with props or guy ropes. As I clean up the big trees I look out for any strong branches with forks that can be cut to convenient lengths for use as props.

Some of the thinner branches can be cut up into two or three foot lengths and used as pegs to which to attach guy ropes. These need to be driven in securely five or six feet away from the base of the tree and sloping away from it. Three guy ropes per tree are a minimum spread evenly round it and four are better.

Bits of old tyre, sacking, or something else soft and durable should be bound round the trunk where the guy ropes are to be attached, to prevent damage to the bark. From time to time the guy ropes will need to be examined to make certain that they are still taut and that they are not doing any damage.

Props are most useful on the side towards which the tree fell, the weaker side and the one towards which it is most likely to fall again. I am using two props per tree, spread out at an angle of about 30 degrees so that they check any tendency to sway.

Many shrubs have been blown over and some of these can also held in place by guy ropes. I am finding this very difficult with some of the taller shrubs such as big cotoneasters, and these I plan to cut back quite severely to a height of three or four feet. I will then get them upright, stake and tie securely and spread and tread extra soil over their roots to give them more security. Not all will survive but a good many certainly will.

On the whole deciduous trees and shrubs have greater powers of recovery than evergreens and a few of these, such as hollies, are almost hopeless.

Finally there are the many trees and shrubs that have simply had branches blown off. I have one big hawthorn that has been completely stripped of branches though the trunk still stands upright and the roots seem to be undisturbed. If I wanted to save it I would cut off *all the branches, leaving just a* few inches wherever possible, and wait for the tree to make a new head. But the hawthorn is not sufficiently valuable for this and I will replace it with something better.

However, there are a lot of other trees worth saving, including a fine Populus lasiocarpa which was over 50 feet high. This is work for a skilled tree surgeon and I do not recommend inexperienced gardeners to climb up ladders and try to cut broken branches out of large trees. They always weigh more than one expects and have a vicious habit of falling in un*expected directions.*

It will probably be difficult to find good tree surgeons with time to spare for several months but this work can be done at almost any time and there is certanly no need to worry if it has to be left until spring.

Arthur Hellyer

Disguise tactics

IF YOU lost your best trees in last week's gale, you are one of the select band who suffered an irreversible loss. Mercifully, the wind dropped before it hit ours, and we were left feeling that the gales late in March had done much more damage locally.

Whether you suffered in spring or autumn, though, one result is that as many trees have been broken as uprooted. Before you fell them, you might try turning them into ornamental props.

I have had great success with *this simple trick and I* recommend it. Instead of felling a damaged tree, you shorten the trunk to a manageable height of 10 ft or less. You trim back the debris of loose twigs and unstable branches, leaving a solid and thickly-branched frame like the outline of a serviceable gallows.

Onto this frame, you can then hang disastrous investments, ruinous mistakes, and luxuriant climbers which will cover up the disasters in the space of two seasons.

In a prominent site, this trick will give you a few years' respite. While you wait for a new tree to gain presence in a neighbouring place you can enjoy a firm, vertical feature along your former line of vision. Instead of a tall oak or plane tree, you have a sadly-reduced skeleton - but you also have a curtain of flowers and green growth during the summer. It softens the outlines, stands out in the landscape and, unlike an old tree, it flowers freely.

Quite a few of the trees on lawns or in front gardens had vastly outgrown their intended space and are no worse for a sharp cutting-back. The total loss of a tree is much more serious than the loss of an overgrown upper section.

I do not recommend using roses as covering for a damaged tree. You can wire a rampant rose up the tree's trunk but there will not be enough branches to support its prolific side-shoots. You will have to rein back its strong stems with loops of wire, strapping them onto a trunk and branches *which they want to desert. It is a* prickly job; and as soon as the rose has reached the top of the stump it will spray its new growth in unsupported directions.

The worst choice of all is the notorious white climbing rose, Kiftsgate. It is vastly too vigorous for such restricted space and it *is* very seldom suited to the sites in which most owners plant it so optimistically. When happy, it makes a gigantic thicket many yards long and high and grows way beyond a half-dead tree within three or four seasons.

The remains of a storm-damaged tree are much better suited to certain clematises, honeysuckles and a special favourite of mine, the obliging celastrus. I will say a word about each in turn.

Up a broken tree, I have had good results from the white-flowered clematis *flammula*, a *climber which tends to be for*gotten nowadays. It has been flowering since August; it smells pleasantly of vanilla; it grows up to 12 ft high and then hangs in just the right sort of curtain for a stump. It is one of the small-flowered wild clematis which likes Britain so much that, here and there, it has escaped from gardens and taken to hedgerows.

On one view, the wild Travellers Joy should never have left them: conventional gardeners find no hope for this rampant clematis *vitalba* which runs all over British hedges, but it is a splendid plant in times of tree crisis. It makes a marvellous canopy of green leaves and fluffy seed heads which show up so well at this time of year. It needs no special attention and will conceal a broken tree completely in its second year.

On taller tree stumps, we have sometimes fastened wire netting round the trunk and al*lowed the familiar clematis montana* to twine its way to the summit and then hang down in long swags, like those tropical climbers on which pygmies used to swing so merrily while teasing the unwary makers of early BBC 'documentaries.' The deeper rose-pink Rubens form is especially effective on a tree and *is slightly later into flower,* waiting to show colour until June.

Honeysuckles are equally obliging. They, too, will respond to a length of wire netting up the trunk so that they can begin to scramble. Like clematis, they are best planted a yard or so from the base of the tree so that they can gain momentum and avoid the worst tree roots. The native English Woodbine is used to such activity in our woods and hedges.

I like to intertwine plants of its late and early Dutch varieties with the early, pale-flowered lonicera *caprifolium*. Leave them to fight for space and, if they all survive, they make a great tangle of scented flowers which spread over two months.

I prefer these pink and yellow forms to the rampant creamy-white lonicera *halliana*, the highly-scented form which does not drop its leaves until very late in the year. Somehow, evergreen climbers do not look so plausible on the bare outline of a former tree.

For good measure, I suggest you add the remarkable celastrus to the jungle. When happy, this climber has exactly the vigour which suits life on a tree stump. It likes to grow vertically for about 10 ft and then dangle great garlands of growth down either side.

The next few weeks are the best moment to see its merits because it is showing the hundreds of red seed heads which are revealed along the stems as the seed capsules start to split *and the leaves fall. These or*ange-red ornaments are the particular charm of celastrus *orbiculatus*. If you persuade a plant to intertwine with the wild and woolly clematis *vitalba* from a hedgerow, the marriage of seed heads is charming.

Celastrus is sold by most good nurseries quite cheaply, but you must try to buy a plant which is known to be bisexual. Naturally, it is never easy to be sure if you have the genuine customer: a straightforward male or female will not produce bright seed heads on its own.

If you are in doubt, buy three plants and trust to the law of averages that you have a conventional marriage somewhere in the three. The more you plant, the thicker the sexual confusion and the quicker you will turn storm damage into something with which you can bear to live.

Robin Lane Fox

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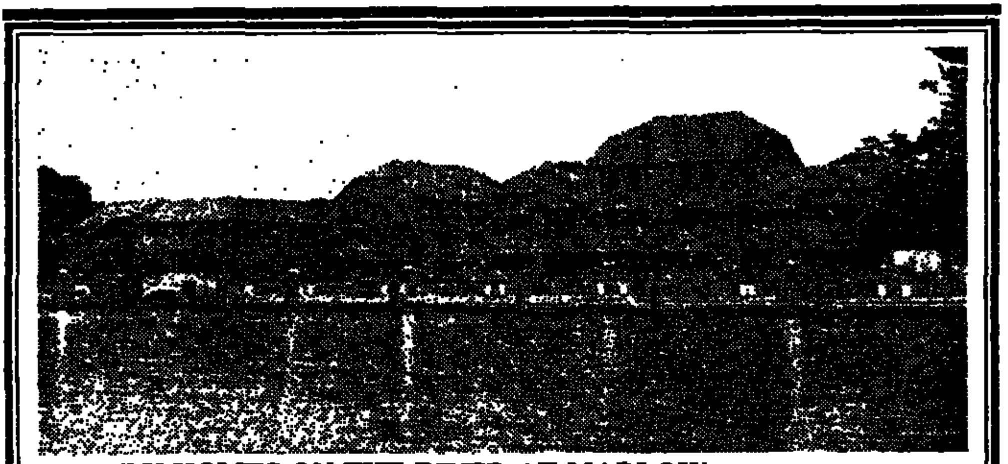

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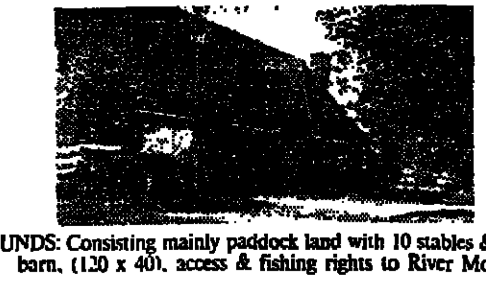

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James Bredin puts the case for a national television archive

Saving our TV heritage

Peter Morley interviews Paula Wolf, Hitler's sister, in a one-hour documentary transmitted in 1959. All the film has vanished. Only this photograph remains.

A TELEVISION archive can mean anything from "all our old black-and-white film" to a collection of programmes which someone thinks are particularly worth keeping.

If we are thinking seriously about a television archive we should mean a collection of as many as possible of the programmes we have produced and will produce, documented, catalogued and indexed so that they may be preserved and made available to social historians, students of communications, historians of television, researchers, would-be practitioners in television production and the general public. It is different from and additional to a library of television programmes.

Hitherto, television archives have been collections of selected programmes. Selection has been necessary for reasons of cost. You might have *wanted* to keep everything that was transmitted because you couldn't be certain how much of it would interest, say, social historians in a 100 years' time—and you might well think it right that they rather than you should decide what will interest them — but the cost of recording, storing, preserving and making available all the output of Independent Television and the BBC has been prohibitive.

The cost is no longer prohibitive. The technology has now made it possible for us to preserve the originals, and provide access to copies, of everything we have kept of past programmes and everything we transmit from now onwards. It will take time and money, but it will be possible to do it. We may still choose to be selective in some degree, and for good reasons, but selection is no longer imperative. This technical advance comes at a time *when other encouraging* archival developments have been taking place in Independent Television, in the BBC, and at the British Film Institute's National Film Archive.

Independent Television collectively has never had a proper archive of its programmes or even a clearly recognisable arachive policy. Each of the 15 ITV companies (with TV-am, now 16) has built up his own film and videotape libraries. These contain much valuable archive material, but little serious effort has been made to consider how much of the total output of programmes since the start of ITV in 1955 should be preserved as an ITV archive and made available as an important national resource.

> 'In archives as in much else the BBC has a great deal to be arrogant about. It could, with advantage, be rather less selfish about its archive material'

This lack of foresight, if not entirely excusable, is understandable. Archives assume permanency or, at least, a time-scale stretching uninterrupted far into the future. ITV companies exist only as long as their contracts are renewed. A three- or a five-year contract, with or without extensions, carries no guarantee of renewal at the end of it. Anyone may apply for a franchise when the Independent Broadcasting Authority offers contracts and several previously well-known companies no longer exist. ATV, Associated Rediffusion, ABC, Southern Television, TWW, Westward, at intervals in the history of ITV, failed to have their contracts renewed and were *replaced* by new companies.

In these circumstances companies are likely to concentrate on the day-to-day making and transmitting of programmes and are unlikely to worry about preserving those programmes for the benefit of historians, researchers or the public in a future of which they may not be part. (It is significant that the ITV company which is most archive conscious, Granada Television, is the only company which has been in existence continuously since the start of ITV in 1955.)

If ITV has not set up its own archive it has been doing the next best thing. Since 1969 it has given a total of more than £1m to the British Film Institute to pay for the acquisition of programmes that the BFI wanted to include in its National Film Archive (soon to become the National Film and Television Archive). This year, 1987, ITV has increased to £160,000 its annual payment to the BFI for this purpose.

The Independent Broadcasting Authority has included a clause on archives in its contracts with the companies it renewed or appointed in 1981. *The clause makes two important* provisions:

- ● The authority may require the company to make suitable arrangements for the accumulation and preservation of an archive of its programmes and related documents and for access to such an archive by the public.
- ● If the company's contract is terminated, reasonably satisfactory arrangements must be made for the preservation or acquisition of the company's archive and of any of its programmes suitable for archiving.

This is an admirable assumption of public responsibility by the IBA. It has made it a condition of the companies' contracts that they preserve their programmes and give public access to them. The companies have begun to make archiving arrangements and, in the meantime, continue to support the National Film (and Television) Archive financially and to make their programmes available to it.

Until recently the BBC made no claim to have an archive of its programmes. It took the view that its Charter restricted its use of licence fee money to the making of programmes. A national television archive was for others to organise and finance. The BBC's Film and Videotape Libraries are the largest of their type in the world — 500,000 cans of film, 100,000 videotapes and cassettes — but the BBC has firmly and jealously denied outside access to the very significant proportion of the collection which is of archival interest.

At the same time the BBC likes to regard itself as an international leader in archival practice, has long had an archival policy which is more responsible, enlightened and all-embracing than that of most if not all broadcasting organisations.

It takes the BBC to live with such brazen contradictions but *it looks now as if it is about* to make at least some of its programmes accessible to outsiders and not continue to reserve its library for its own exclusive use. Its Charter has been ammended (at the BBC's suggestion) so that one of the objects of the BBC now is "to maintain libraries and archives ... and to make available to the public such libraries and archives with or without charge." The BBC is preparing an agreement with the BFI which will in future let most BBC programmes be copied for viewing (not, however, recorded for preservation). The BBC may even bear the cost of such copying.

The BBC's Film and Videotape Library is extremely well run and it contains an immensely valuable and carefully preserved collection of archive material. Its archival policy is clear and comprehensive and that policy is applied with professional skill and a high sense of responsibility. In fact, in archives as in much else, the BBC has a great deal to be arrogant about. It could, with advantage, however, be rather less selfish about its archive material which, it is arguable, is part of the national heritage —and paid for by public money *through the licence fee which* everyone with a television set has to pay.

The British Film Institute has, since 1935, been maintaining the National Film Archive as "a national repository of films of permanent value." The Archive began to acquire some television programmes as early as "a national repository of films officially authorised to include television programmes as well as cinema and other films in its remit. We now have a National Film and Television Archive which contains nearly 80,000 items ranging from amateur films to newsreels, from documentary films to feature films to television programmes.

The television part of the Archive has been the result of the acquisition of as much television material as possible with such funds as were available. It has never been enough. In good years the Archive could afford to acquire 40 per cent to 50 per cent of what it wanted to acquire. In bad years it could acquire only 20 per cent. Rapid growth in the number of programmes acquired became possible in 1984 when ITV and Channel 4 authorised the Archive to record their programmes direct. *Starting on January 1 1985, the* number of television programmes acquired annually for preservation by the Archive was trebled and simultaneous recording on VHS cassettes made these programmes available for viewing by researchers and others.

*The National Film and Tele*vision Archive was now able to change its policy from the selection of television programmes to the recording of all national television in the United Kingdom. It has set out to become the repository and study access point for all the UK's transmitted TV. From the beginning of 1985 it started recording 60 hours a week of ITV and Channel 4 programmes. It hopes that it will not be long before the BBC agrees to match the co-operation of the independent companies."

We owe it to posterity not to neglect, ignore or squander the television output which posterity will expect us to have preserved for its benefit. Our descendants will want to use television and film as research resources in the same way as printed material has been used for centuries. There is a need now for television and film material to be used in the teaching, for example, of contemporary and recent history. Lecturers and teachers should, with ease be able to call up and use audio-visual material to illustrate points they are making.

We need a co-ordinated effort to achieve a national television archive that will satisfy these demands. We do not need another inquiry or another advisory committee to survey the field. What I suggest we do need is a working party whose brief would be to formulate and propose a plan of action.

It would look at the present library and archive arrangements of the BBC and ITV and relate them to what the BFI has been doing to build television into the National Film Archive. It would assume that the BBC and ITV will want to continue to operate their film and videotape libraries for their own entirely proper and legitimate purposes. It would propose to them that the contents of their libraries should also be made available to form the basis of a national archive. It should, I suggest, assume that *the British Film Institute is* likely to be the best foundation on which to build a properly comprehensive national archive because:

The working party should, I suggest, be made up of representatives of the IBA, BBC Television, ITV companies, Channel 4 and the BFI. In addition, there should be a print librarian who is also concerned with audio-visual material; a historian who wants to use television and film material in the teaching of the history of the 20th century; and a representative of government (Home Office or Office of Arts and Libraries).

This is an edited version of a discussion paper by James Bredin of Wolfson College, Cambridge. It was published by British Petroleum and is available free from Public Affairs Dept., BP, Britannic House, Moor Lane, London, EC2Y 9BU.

No fuel like an old fuel

Jonathan Sale on some novel methods of setting wheels into motion . . .

JAMES WATT is not exactly the patron saint of the Earl's Court Motorfair. He was able to drag the steam engine kicking and screaming into the 18th century, but he managed to knock on the head the basic concept of the motor car.

When William Murdock, one of Watt's employees, drew the firm's attention to his invention of "a small engine applied to a carriage," Watt declared that this type of vehicle would never never catch on, thus effectively putting back the development of the motor car in Britain by a good century.

Today, we all know where James Watt went wrong: the future was indeed four-wheeled. What the Motorfair's dealers may not appreciate is that petrol is a late comer to the motoring scene, and does *not have a monopoly, even now.*

The most intriguing fuel of 1830, or any year, was proposed by a William Mann of Brixton, south London. It was not a tiger which he wanted to put into tanks but compressed air. He declared that the force of air, compressed to 1,000 atmospheres, would drive one of his carriages at 10 mph for up to 20 miles, whereupon it would be re-fuelled in a 30-second pit-stop.

The actual compression would be done by prisoners turning treadmills connected to pumps, and canisters of the non-polluting fuel would be available at short intervals on the London-Birmingham road and other selected routes.

This Friends-of-the-Earth-Mobile turned out to be so much hot air. Other inventors, though, managed to use the *atmosphere for propulsion.* The Chinese long before had harnessed the wind by means of sails fitted to wheelbarrows, which gave them easily the speediest building-sites in the known world, but were left becalmed by a magnificent Dutch-built jumbo version known as Stevin's Wind Carriage.

Simon Stevin, Quartermaster-General of Holland, designed a forerunner of the land yacht which carried 28 people a distance of 14 miles in a mere two hours.

Two centuries later, a Bristol man, George Pocock, broke that record by another method of harnessing the wind. First, he designed a system of kites strong enough to pull the barge of HMS *Victory*, with a full crew, from Portsmouth to the Isle of Wight. Then, moving inland, he used stunt kites to shift his "Char-Volent" containing six passengers from Bristol to Marlborough in Wiltshire at an astounding 25 mph.

By setting his kites at an angle to the wind, he was able to make them tack against it and so return from Marlborough to Bristol without having to wait for the wind to change.

Wind power is now as remote from mainstream motoring as is gunpowder, which one bright spark developed as a means of propulsion for the suicidal driver who did not mind playing Russian roulette every time he turned on the ignition. Electricity, though, lasted the course better.

In 1902, a Baker (electric) car did a mile in 47 *seconds.* Unfortunately, its next mile involved it being pushed back again — a driver could have speed or distance, but not both. Today, battery-powered cars are still speeding ahead.

Steam cars have a longer pedigree. Leon Serpollet who conceived the "flash boiler" *for instantly* getting up steam, held the first driving licence in Paris. But the father of the automobile was Father Ferdinand Verbiest who, posted to Peking on a goodwill mission, in 1665 was cranking up his steam carriage for the entertainment of the Emperor Khang-Hsi.

Yet, this fuel is still steaming ahead. The record for a steam-powered car — which a Thetford, Norfolk, engineer tried and failed to beat recently — stands at a respectable 128 mph. Its development might suffer from the fact that the *basic ingredient,* water, is free and therefore offers little incentive to owners of tankers and proprietors of filling station. But I expect someone is working on that.

● Stuart Marshall at the Motorfair: Page X

Gypsies who came to stay

Barbara Dalzell finds that tolerance can *be stretched too far* by unwelcome visitors

"MY MOTHER said that I never should play with the gypsies in the wood. . . ."

She was less specific about what to do when gypsies move into the bottom of your garden.

I used to live in a flat in inner London, with a garden which backed onto a children's playground. This became an inner London flat with a garden backing onto an illegally-occupied travellers' campsite.

Living next to the travelling *folk was no fun. It did nothing* for aspirations to gracious living; it put me into a bad temper for five weeks; it failed to make me appreciate the culture of that particular ethnic minority.

My nights were spent listening to the throb of their generators. My first duty every morning was to clear their debris thrown over my garden wall: plastic basins, car parts, bits of wood, assorted junk. Most weekends offered me the spectacle of a skip fire, a blazing car, a domestic brawl. My broken windows were less of a problem than my personality change: on the subject of travellers my normally liberal-minded attitudes were replaced by sentiments which would have done credit to a Ku Klux Klanner.

My *faith* in Camden Borough Council's policies has taken a knock since I discovered how long *it takes to move travellers* off an illegally occupied site.

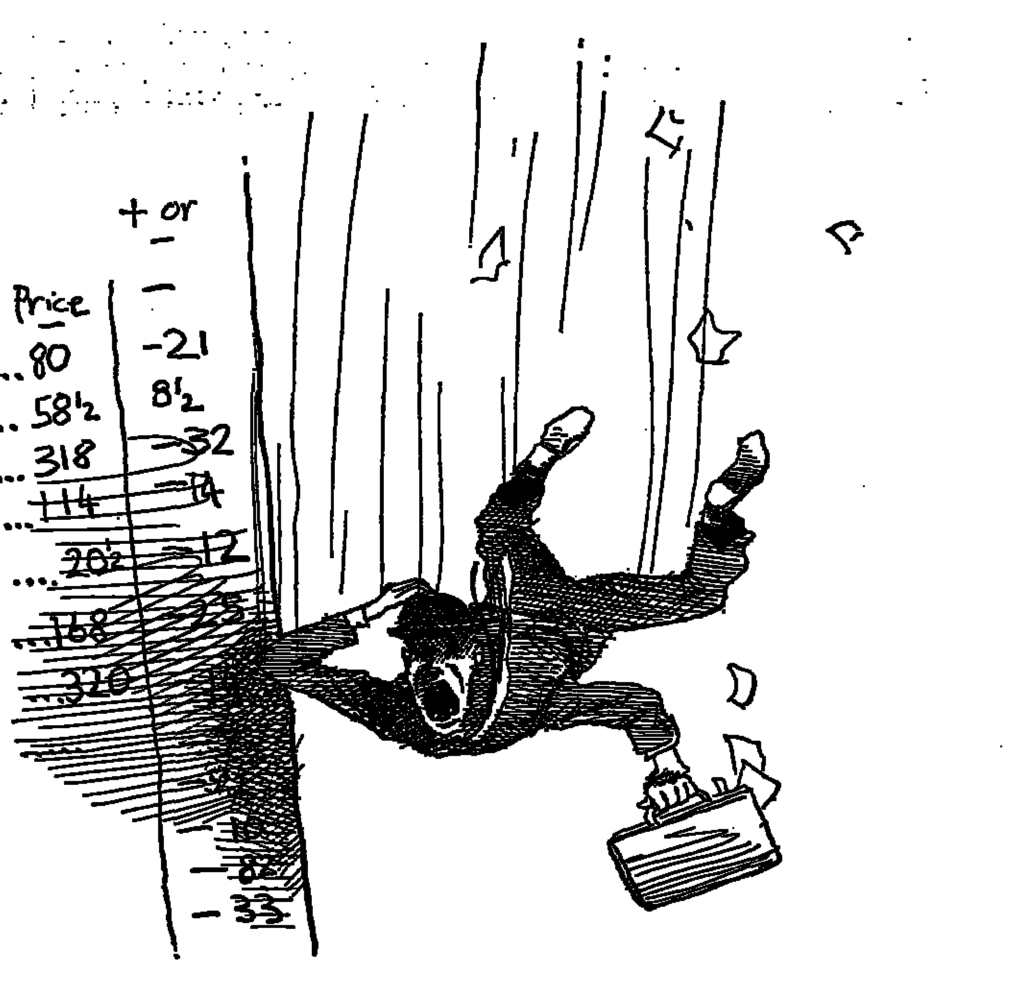
To be fair, this is not entirely the council's fault. Before 1983, Camden took travellers to court to have them evicted, but this policy did not solve the problem; rather it created difficulties over children who were unable to settle in school, and families unable to register with doctors.

Now Camden operates a policy which, it believes, is more humane. If travellers set up camp on land needed by the council for another purpose, it takes steps to evict. If the land is not needed, sanitation is provided and the council tries to reconcile neighbouring residents to the uninvited guests. In the *long term* Camden *hopes* to provide permanent sites for travellers'. Meanwhile, it allows unlawful occupation of what are known as "temporary tolerated sites." (Residents tend to regard the word "tolerated" with some derision.)

In the case of these — unofficial — neighbours, the council decided to evict. There was delay: the courts were unable to hear the case for several weeks. But a possession order was duly granted and the travellers moved on.

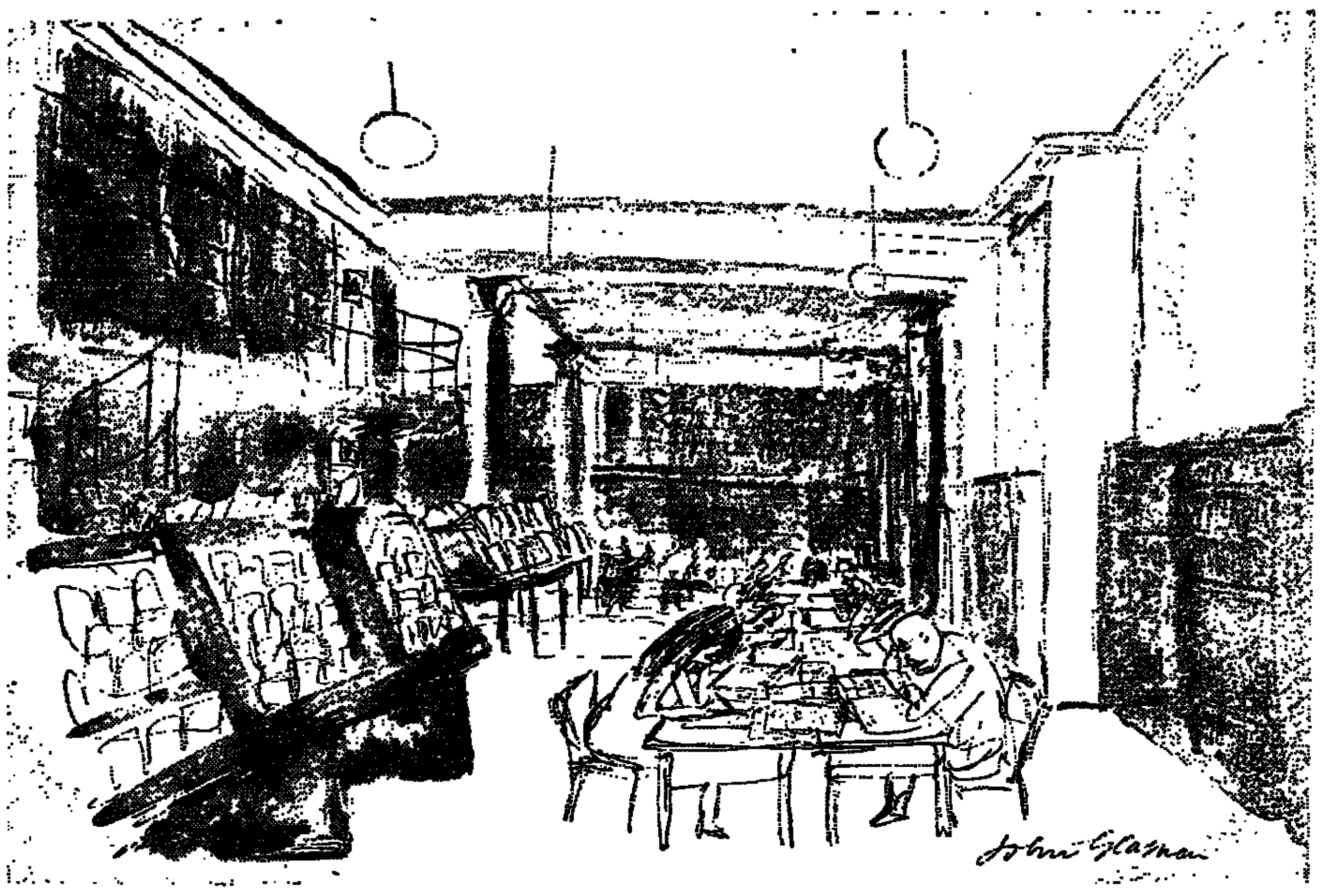
This does little to solve the problem of residents' dislike of *travellers in a neighbourhood.* Camden operates various nuisance criteria: travellers are asked not to damage property, not to cause health risks, not to fly tip nor cause undue noise. Anyone who has seen travellers' campsites will readily guess that such a policy is not much of a success. The council's *good* intentions cannot disguise the fact that a residential lifestyle does not mix well with the travelling one.

Local councils may get better at reducing friction between the residents they represent and act for, and travellers whom they seek to treat in a sensible and civilised way. One day we may regard apparently conflicting lifestyles as fascinating cross-cultural exchange. It may help when permanent sites are available. But please, dear council, not at the bottom of my garden.



The London Library is rich in more than books

Gay Firth browses in *one of the world's* most distinguished and idiosyncratic private libraries.



BARBARA CARTLAND gave it some books last year, and so did Christopher Logue. Sir Isaiah Berlin gave some money, and so did Morgan Grenfell, Frank Muir, John Julius Norwich, Pearson's, the BBC and nearly 150 other individuals and companies, not counting bequests and legacies ranging between £100 and £37,500; and a gift "sent at the request of Rupert Murdoch" for re-*binding, repair* and replacement of bound volumes of The Times.

In thankful acceptance of this kind of steady support, in addition to annual subscription fees totalling £428,714 at its most recent audit—stands the London Library. Over a million books and a devoted staff in St James's *Square serve* 6,700 members.

Affection for and loyalty to this extraordinary institution is measureable on the scale normally reserved, in the UK, for the Royal family. It is the most distinguished private library in the world; probably the largest; certainly the best *loved. Founded in 1841* by Thomas Carlyle, the historian, in cantankerous fury at the dreadful research facilities offered by the publicly owned library at the British Museum (these included a private room for his rival, Lord Macaulay, while Carlyle himself was obliged to work in a Reading Room crowded with "novel-readers and dictionary makers—a thick-skinned race compared with real scholars"), almost every 19th and 20th century English literature figure you have ever heard of—Tennyson, Thackeray, Dickens, H. G. Wells, Virginia Woolf, Harold Pinter, Iris Murdoch —has been (*or still is*) a *member. Its* open-minded, open-hearted attitude to books and readers makes enduring sense of T. S. Eliot's observation: "This is the private library of each one of its members."

Services on offer at the BM Reading Room — for those accorded the privilege of entering it at all—are dreadful still. "Private" as the London Library is, it is private only in the sense that it is wholly independent of any kind of public funding. It is not in the least exclusive. Douglas Matthews, the present librarian, is at pains to say so.

"*There are no restrictions on member*ship, none. Only library rules, of course. Anybody can apply, pay the subscription (£75 for annual membership, life membership on a scale between £1,875 for applicants under 25, £375 if you are over 70), and take up to 10 books home immediately; 15, if you live more than 20 miles from the library. Well, yes, we are rather cautious about modern equipment—perhaps a little old-fashioned in our ways. It may feel like a club—but it's not. We're a modern working library, and anybody may join."

Which is to say: you, me and Aunt Mabel may push through *a pair of easily* swinging doors, enter the comfortably dowdy, well-cared-for building in the north west corner of St James's Square between Grindlay's Bank at No 13, and the Clerical, Medical and General Life Assurance Society at No 15; pay the subscription and borrow books to take away. It is this generous lending policy which makes the London Library a nonpareil. For an extra fee you may increase the borrowing allowance (up to 40 books at a go) and keep them for extended periods so long as they are not requested by another reader. "It is not typically English," said E. M. Foster, "it is typically civilised." Members are supposed to renew titles every two months, but it is a rare reader who remembers, and the library staff do not fuss. ("Dear Sir," wrote one understandably conscientious borrower, "Please re-enter Dante's Inferno.")

It is a sad triumph of experience over hope that, with the best will in the world, the longer a member keeps a book the more difficult it is for the library to get it back. There is a blacklist of members who, failing to respond to a series of polite requests for returns, have had borrowing rights withdrawn. *London Library Rules* are rules properly applied: strict in theory; in practice flexible to a hair's breadth of judgement. "*We would rather cut* our losses than go to law, but . . ."

Members "can turn quite tricky" on receiving a bill for a volume lost. London Library volumes have been blown up in both world wars, chewed by dogs, soaked to pulp by rain or harbour water (a mailbag containing expensive new titles sent to a member living in the Western Isles fell between the ferry and the quayside). Novels borrowed by Kitchener went down with the cruiser sunk by a German mine in 1916.

Carlyle himself seems to have set the library's lowest standard of behaviour over books not returned. He denied all knowledge of some loans, demanded that the library staff stop pestering him, and actually wrote, in one enraged outburst: "I will *not* return this book"—a piece of possessiveness to outshine even the record-holder for the library's longest loan, a Devon lady who liked a book so much that she kept it for 14 years. (It was A Guide To The Best Fiction, English And American.) "I had to get very firm indeed," Douglas Matthews remembers, thoughtfully.

There is some pilfering, but it seems neither a particularly serious nor an increasing problem. ("I don't know—new titles seem to disappear very quickly," one member said crossly.) Professional thieves, selling stolen books to antiquarian dealers, were a worry during one period. "We shouldn't have to lock books away—we pride ourselves on the open-access policy—but now some titles are too precious to risk,'" Douglas Matthews says. "Mind you, we always prosecute; we get convictions." More of a headache is the problem of books taken for the purpose of re-printing them.

Members are now required to leave their belongings at the door. The higgledy piggledy pile of briefcases, baggy tweed overcoats and, indeed, dirty mackintoshes probably says more for the self-conscious shabbiness of serious readers, writers and researchers than it does for the criminal tendencies, if any, of the London-based literary clique which forms a high proportion of the library's regulars.

"It's very simple," a member in good standing explained gently. "The place is run by a group of friends for their own benefit. There is, of course, a limited number of people who *can* benefit, but anybody can, if they want. The £75 subscription is tax-deductible if you are a *professional writer. Scholars and* students, if they can't afford the full subscription, are encouraged to apply to the London Library Trust." Last year grants to such beneficiaries came to £4,324.

From the point of view of bookish folk in St James's Square there can be no smugness, only sad irony in contemplation of a public library service which has endured book spending cuts of 34.2 per cent since 1978-79 in England and Wales (in real terms), never mind cuts in grants to universities—accompanied by academic howls—imposed perforce on their own libraries. Worst of all is the spectacle of the British Library project wallowing like a half-beached whale in waves of government indecision, appalling administrative muddle, and costs mooted at £350m-£400m two years ago for a design to house 25m books. The betting is that it will be £1bn by the end. But at least delay has enabled new information technology to take root in the nine-and-a-half acre site beside St Pancras station.

How different, how very different from the London Library. But the London Library is run by its readers. The *present Committee is chaired by John* Grigg, the biographer. Gabriele Annan, Anita Brookner, Bamber Gascoigne, John Julius Norwich David Pryce-Jones and John Smith (of the Landmark Trust) have recently joined this self-perpetuating oligrachy of 24. Serving members of the magic circle retire in batches, in rotation—becoming eligible, after a polite pause of a year or so, for reappointment. The AGM of the whole membership of the library is notionally sovereign.

An investment sub-committee oversees the professional management of *funds which*, with a market valuation of over £5m must forestall financial fears in so far as they can be anticipated—which is never very far. There is nothing lavish about the way the London Library runs its affairs. It would like more members, more means of support; of course it would. That constant clicking noise you hear in the bookstacks is a cost-conscious membership switching off lights. But between 6,000 and 7,000 new books can be bought every year, without undue penny-pinching.

To be sure, the London Library has had its lean times. In 1969, after much agonising, the Committee agreed to raise the annual subscription from a decorous 14 guineas to £20. By 1972 the library's capital reserves had fallen to £250,000: an appeal was launched. Its target—after much agonising—was set at £500,000. £600,000 came in. "We were a little bit lucky in other ways, too," Douglas Matthews says gratefully. There have been one or two "substantial" bequests. Flotillas of smaller ones swirl in every year.

More significantly, in strategic planning for the library's future, are some decisions — one past, some pending — about its premises. The freehold building was acquired in the mid-19th century for £21,000 and redesigned during the librarianship of Sir Charles Hagberg Wright, who held the post from 1893 to his death in 1940. It stands on a site of about 9,000 square feet, fronting a square whose listed properties and blue-chip status must make it one of the most prestigious and expensive in central London.

The library owns a couple of other important local assets. In 1913, with an eye on future expansion, it bought Dalmeny Court, 8 Duke Street, St James's, a block of 24 flats backing on to the library itself. Leases on the flats —they produced library income stuck fast at £600 a year for 50 years—expired in 1963. Taking a realistic view, the library then sold the flats short-term on seven-year leases. But in 1978, unaccountably, even incredibly, it seemed to throw realism to the winds: a 99-year *lease on Dalmeny Court* was sold to a property company for £531,000. The grond rent is a mere £5,000 a year.

The library also owns the freehold of a smaller building in Duke Street St James's. It houses the Café Bonbonnière, a cheap and cheerful haunt favoured by pin-striped chaps from Christie's King Street saleroom. London Library browsers, with not so much as a coffee machine on the premises to fortify nerves shot to pieces in the vertiginous bookstacks (you can see several levels at a glance through prison style perforated iron walkways) can smell the café's lunchtime special through the west wall of the Library basement.

The lease on the café building has seven years to run. Might the library buy it out earlier? Demand for more shelf space, now critical, must force some solution soon—within the next 12 months. A number of options for the London Library are coming into sharp focus.

It might shed stock, to make room for new titles. But it is a research library. There is very little scope for chucking out books—and Murphy's Law decrees that the minute you chuck, you need it.

Consideration was given, earlier this year, to partial development within the present building. There is a space over the Science and Miscellaneous section which, if filled in, would provide space for about 90,000 more volumes. This would probably cost about £500,000. It *would postpone* the space problem rather than solve it. In 10-15 years there would be another emergency.

It might move—lock, stock and leather armchairs—from its present site. The suggestion would provike uproar. "Members feel strongly attached to *this building*," *Douglas Matthews says* anxiously. One scholarly gentleman raised a wry eyebrow: "You'd be surprised how many people come here just to use the lavatory," he said. Moving certainly seems the least likely ex pedient, though it is worth noting that the London Library is, literally, sitting on a fortune.

Last December Guinness sold the London headquarters of Distillers—two adjoining townhouses in St James's Square—for £30.5m. The implications of this kind of money paid for property in this kind of location do not seem adequately appreciated at Number 14. But to ignore, for the sake of auld lang syne, the option of moving the books out of a piece of real estate whose value might be the equivalent of, say, the £25m estimate for the cost of the National Gallery extension would surely raise the question of the direction of the library.

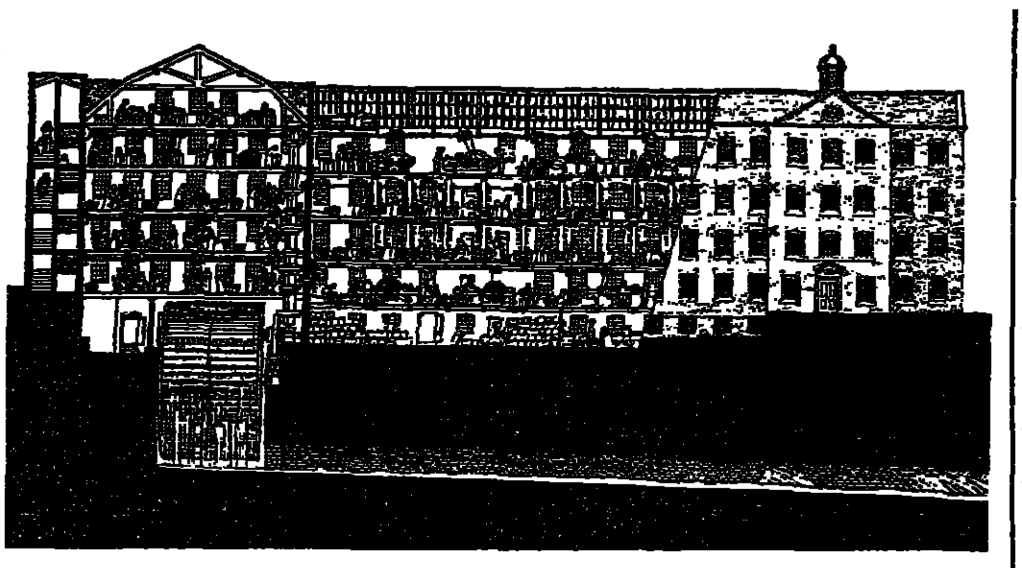
The development option has recently gone quiet, probably because nobody has any clear idea what to do. In the meantime there is talk of outhousing some of the collection, establishing a reserve depository nearby for some of the books. Given the rents per square foot near St James's Square, this would seem an expensive option—though the basement of the Travellers' Club seemed a possibility; now abandoned. (There was a nice precedent here: the London Library started life in two rooms rented from the Travellers'.)

Typically civilised, the London Library is typical in every other way but one: it has the growth-and-management problem typical of our times. Finding the solution is a delicate matter: the library is a unique institution run by members to please members; they will not be pleased at the prospect of any change.

On the principle that a problem should be seen as an opportunity, there may be an appropriately civilised, if somewhat oldfashioned answer. Arising out of the notion to farm out some sections of books, the London Library might establish some branch libraries around the capital. Fiction to Fulham, say. Sociology to Streatham. Theology to Tufnell Park . . . it is certainly high time somebody did something about Theology. Hardly anybody borrows the books.

Sally Watts inspects industrial history on display at Quarry Bank Museum

Dark satanic past



Working world: Quarry Bank in its heyday

VISITORS entering Quarry Bank Mill today can "clock in" like the cotton workers more than a century ago. But then it was the start of a 13 hour day for apprentices, while adults worked from 5.30 in the morning until 8 at night—provided they were not required for overtime.

This is probably the best preserved factory of the Industrial Revolution, a working museum producing cotton from the authentic machines to sell in its own shop, by the yard or made into goods. As one of the growing band of industrial museums, it shows the history of the cotton trade from a cottage industry overtaken by mass industrialisation, tracing its astonishing rise from the late 18th century through the heyday of the 1800s to its 20th century decline and rebirth.

It has also a sociological aspect, showing the life of the millworkers and their families at home, at work and in the new Cheshire village of Styal, built to serve this Georgian mill. In 1784, the year when Liverpool imported the first bales of raw cotton from America, Samuel Greg, a young textile merchant, arrived from Manchester in search of *a suitable* mill site.

Though still the remote farming hamlet it had been since medieval times, Styal was a natural choice for Greg's purpose, with easy access to Manchester 12 miles to the north, and an adequate water supply just below the meeting of two rivers.

Realising the need for technical expertise, Greg went into partnership in 1796 with Peter Ewart, an engineer who was able to harness more effectively the power of the River Bollin beside which the mill was built. Meanwhile early machines, devised by some of the mechanical geniuses of the day, gave impetus to the new industry Hargreeves's spinning jenny, Arkwright's water frame and Crompton's mule.

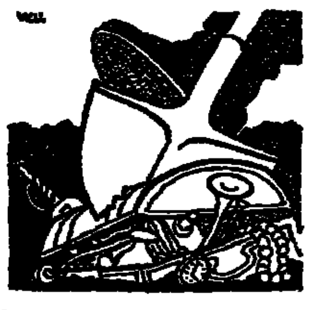
These three, the museum announces with a flourish: "changed the industry, the people, the landscape and the world." Taking Quarry Bank Mill as a typical, prospering microcosm that was soon producing 1,000 lbs of cotton a week, it shows how this change came about: for example, the growth of the northern canals, of railways, mills and mill towns.

In Manchester (nicknamed Cottonopolis) hundreds of dealers gathered twice a week on the floor of the Royal Exchange; like Liverpool, it experienced a population explosion between 1800 and 1850, during which the number of cotton workers quadrupled.

Although the American civil war depressed the industry, bringing severe hardship and the need for famine relief, this was followed by a postwar boom. The second depression came between the two world wars, during which hundreds of mills closed down, and although Quarry Bank produced cotton commercially for another 20 years, in 1939 Greg's great-great-grandson gave mill and village to the National Trust, which still owns them and has carried out extensive maintenance.

Working demonstrations illustrate the stages from waterwheel to woven cloth—weaving was introduced at Quarry Bank in 1837—and there are plans to include finishing, bleaching, dyeing and printing.

The birth of the factory sys*tem brought a new stage* in Britain's social history, and Styal may be seen as a forerunner of other worker colonies —Port Sunlight and Bourneville, for instance—stemming in part from the paternalism of *the new bosses.* In 1820 Greg started building Styal village: cottages, allotments, school, chapel and profit-sharing shop which, as well as food, sold *clothing, millinery and household* goods.



We are shown a typical cottage room of the 1840s, with lighted stove, saucepan on the hob and wooden cradle on the floor. For the young pauper-orphans he took on from neighbouring parishes, he built a house where they lived in the care of a superintendent and his wife, attending school one night a week.

The Apprentices' House is now being reconverted, including replanting of the orchard and vegetable garden, to show it as it was 150 years ago. Nigel Nixon, keeper of collections, enthusiastically foresees school children *spending* a day in the role of mill apprentices.

The new breed of cotton traders soon became fired with expansive, far-sighted views: in 1857 many were demanding "with missionary zeal" the development of inventive genius, of art and science, agriculture and education, the creation of large towns and the abolition of slavery.

In that same years, one of Greg's sons, Samnel junior, wrote shrewdly of education: "Without this you are nothing. You may possess all other *things and* yet without this one, you may be wanting everything."

However, his recipe for recruiting and keeping good workers may now appear somewhat simplistic: "Fair wages, *comfortable houses*, *gardens* for their children, sundry little accommodations and conveniences in the mill, and interest in their general welfare."

The mill, which has retained its original rural setting, is *being imaginatively developed* by the independent, charitable Quarry Bank Mill Trust. In 1984 it was named Museum of the Year and this year it won a Sandford award for Heritage Education.

● Quarry Bank Muesum, Styal, Cheshire SK9 4LA.

● Quarry Bank Museum, Tel: Wilmslow (0625) 527468. Opening times from October to March: 11 to 4, Tuesdays to Sundays. Take exit 6 from M56, or 15-20 miles' walk from Styal station.

Julia Orney discovers a distant relative on the seashore

My forefather, the squirt

FOR MY 10th Christmas, I received the Collins *Pocket Guide to the Sea Shore*. I also had an evening glass of sherry *which I spilled over colour* plate 17. The gastropod molluscs still bear the stain.

The magical properties of marine life never ceased to baffle me. Here were creatures that changed sex with age—*limpets—and things that could* be chopped into five bits by irate oyster fishermen, only to regenerate into five brand new starfish. But even those paled into insignificance beside the sea squirt which, because its larva has a dorsal cord, is linked far back in evolutionary terms with the vertebrates and. ultimately, with human beings. It is a humbling experience to recognise your ancestor in a leathery lung dangling from a boulder.

Twenty-five years *later*, curiosity unabated, I joined like-minded people at Pembrokeshire's south-western tip. Nine in number and ruled by the moon, we carried glass vessels full of mud and walked with eyes downcast. We were not some mysterious Welsh sect but eight members of an adult education class plus tutor, marine biologists there for a long weekend in Little England beyond Wales. Only a spring tide ebbs far enough to expose the treats of the lower shore; hence the chosen date for the trip, to coincide with full moon.

The sheltered rocky shore was the first study area. Sheltered it certainly was: looking towards the oil refinery skyline, you could have sworn you were beside a huge lake, the sea entrance being completely hidden. In the shadow of the supertankers, like Gulliver in Brobdignag, we marvelled at the super-seaweeds and posed for each other's cameras, holding aloft pennants of kelp 14 ft long.

Lack of tidal scouring had allowed dead weed to accumulate as a rotting soup through which I waded gingerly barefoot, lest some toe-snapping fiddler crab was abroad. The beach echoed with triumphant cries as adults undergoing education located eels and sea scorpions and lumpsucker fry.

Looking as cosy as it is possible for marine slugs to look, two sea lemons sat side by side on a stone while I sat with bloody feet—the rocks were *murderously sharp* — quietly polluting a pool full of snakelocks, anemones and dark-red carragheen weed that twinkled with royal blue irridescence.

Under overhangs, I met the usual *crowd of* sea squirts—ugly brown gobbets that spouted thin jets of water when prodded. But then our tutor introduced us to the lamp-bulb tunicate, a squirt of exquisite crystalline beauty—in short, the kind of squirt you would be proud to call forefather.

Then, there were the colonial tunicates named star ascidians, like daisies in aspic—surely art for art's sake? Squirts rose in my estimation, and in everybody else's also to judge by the prayerful posture of enthusiastic naturalists flourishing hand lens.

Our home for three days was a Victorian fort. The venue had deep significance for me: the fort became a field studies centre under the guidance of John Parrett, co-author of that well-thumbed Collins Pocket Guide.

My room in a forbidding-looking stone block gazed down steeply at sea-washed rocks and cliffs tumbling with campions and thrift. The split-second speed with which jackdaws found the left-over bread roll I put on the windowsill suggested that this was the traditional way for guilty schoolchildren and adults pursuing education to dispose of their packed lunches.

Next target was life beneath the sands. Excited shouts of "*Worm!*" greeted every forkful of mud that saw daylight. Getting hold of certain worms was not easy; they had an urge to self-destruct and broke themselves into segments, however gently you handled them. Still, into the jam jars went rag and cat worms—which *had a disconcerting* habit of blowing their throats inside-out — together with a dollop of ooze to keep them comfortable on their journey back to the lab for examination.

The revelations of an electron microscope were astonishing to people unfamiliar with such sophisticated equipment. We worked with that naive zeal which belongs wholly to the amateur naturalist. In a dish, I discovered a blown-glass shrimp with spangled eyes where previously there seemed nothing but salt water.

Above the bench, a notice forbade the collection of local dog whelks—common enough shellfish before the advent of ships' anti-fouling paint, the toxic component of which chemically castrates the poor *old snail.*

The last day's theme was an exposed shore, a rocky west-facing bay into which the waves washed a jellyfish replica of a paperweight with a blue chrysanthemum inside — a stinger, warned our tutor. Courtesy of ships that dump their garbage into the ocean, someone found a handy plastic pot on the strandline—jetsam to contain a vicious jelly. Thus held, the paperweight became an umbrella pulsating with gentian-violet glow, and all my childhood wonder came flooding in with the tide. Eight adults became a lot more educated that weekend.

Yet, there comes a moment when even the keenest marine biologists raise their eyes from beach level and straighten their backs, and suddenly every one of us was lost in the beauty of the little bay with its isles shimmering far off. The sea is never so green, the rocks never so red, as in those final minutes before you must turn for home —and I reflected that I was glad evolution chose me to be the one who peered at a squirt, rather than the other way round.

Decorating in the grand style...

Lucia van der Post looks at the interior design firms offering guidance to haut decor

AFTER *haute cuisine*, let me introduce you to *haut decor*. As the delicate arrangements of mangetouts and slivers of bloody *magrets de canard* get ever prettier to look at and less satisfying to eat so our houses become more and more richly decorated. There seems hardly a corner of a house or interior these days that isn't decorated within an inch of its life.

Where once a certain sort of girl from a certain sort of family who wasn't suited to the academic life took to cooking, these days she's likely to be ragging, stippling dragging or helping you match the curtains to the carpets. Now that grand style decorating is all the rage those of us not brought up in grand houses and thus unaccustomed to the mores of the genre are in dire need of help.

We haven't yet become anything like as decoration mad as our American cousins but a survey produced for the Home Interiors Exhibition (the professional interior designers' exhibition running next week at Olympia) reveals that we are changing our schemes much more frequently than ever before, with the sitting-room, unsurprisingly, getting the most attention.

People with truly grand houses and the income to match would be well advised to go for advice to the interior designers used to operating on this kind of scale—people like Colefax & Fowler, David Minaric, Nina Campbell, Tessa Kennedy, John Stefanidis and their ilk.

Large houses require a lot of experience, sure taste and a very firm hand to make the most of them, and mistakes can be very expensive.

The interior decorator has failed if the house looks as if it has been done over from head to foot by a professional. If the partnership has really worked it will look as if you have made every tasteful decision yourself. Decorators should get to know you, understand your needs, make appropriate selections and suggestions for you to choose from. They should be able to translate your taste into a workable, practical environment and keep within the budget to boot.

For the rest of us, it has never been easier to play interior designer ourselves. A whole host of enterprising designers have set up shop to provide us good taste by the metre—go along to Laura Ashley, to Osborne & Little, to Designers' Guild, Jane Churchill and you can mix and match, plan and dream without ever going badly wrong.

It might not be quite as artless as the purveyors of these styles sometimes imply but nor is it as arcane a skill as some interior decorators would have us believe. Confidence is all. A good eye and a certain sense of style are not the exclusive preserve of the professionals.

However, if you are looking for a halfway solution—somebody who will give you a little guidance, lead you perhaps to more adventurous solutions than you would have embarked upon without a little prompting, there are endless little set-ups designed to do just that.

● **Colour Counsellors, 187 New *King's Road, London, SW6.* (Tel 01-736 8326)**

Colour Counsellors was set up several years ago by Shirley *Liger* and *Virginia Stourton* who wanted to offer sympathetic, easy help to those who didn't want or need a full decorating service. The idea is based on a series of black boxes into which samples of a whole range of fabrics, carpets and wallpapers are packed. They are all collated into colour groups to make mixing and matching as simple as possible. All the best names are there — from Designers' Guild to Pallu and Lake, Sanderson, Osborne and Little, Tintawn etc. All the counsellors are trained to be able to advise and can organise not just the fabrics and the carpets but the making-up and the laying as well.

The Swedish barquentine Amorina in full sail

There are now lots of Colour Counsellors all over the country who will bring their useful little black boxes to your own house. There is no charge for the service — the counsellors make their money, like all professionals, on the difference between wholesale and retail prices.

● **Private Lives Interiors. The Old Parsonage, Church Street, Crendall, near Farnham, Surrey GU10 5QQ (Tel 0252-850527).**

Just an hour's drive down the M3 from London is Private Lives. Here the bewildered would-be transformer of dingy hellholes into oases of light and glamour can find the complete home-decorating service. You can park the car quietly (or, if you are carless, Private Lives will organise a chauffeur-driven car service) and browse through samples of fabrics, wallcoverings, carpets, tiles, lamps, accessories and furniture from a wide range of suppliers.

The taste tends towards the upmarket with names like Colefax and Fowlers, GP and J Baker, Nina Campbell et al (though there is also Laura Ashley). Choose from bright Provencal cottons, delicious floral classics by Manual Canovas, special designs from Michael Szell, silks, cottons, damasks.

Here, from the workshops, you can order all the panoply of decorative detailing that has become the hallmark of the 1980 interior — the elaborately draped bed the richly upholstered furniture, the lush piles of cushions, the richly dressed curtains. In snooty interior design circles they profess to be tired of the stippled, the marbled or the rag-rolled wall but if you have not yet had a chance to indulge in these little whimsies, Private Lives will set it up for you. It can also organise bespoke joinery—want a hi-fi cabinet, some carved bookshelves, a little bit of panelling? All can be arranged.

● **Wood House Design, Thorpe Lodge, Littletherpe, Ripon, North Yorkshire HG4 3LU (Tel 0765 2088).**

Up in a beautiful part of Yorkshire is a charming Regency country house belonging to Tom and Juliet Jowitt. Juliet has used one wing as the basis of a design advice service. A sitting-room, dining-room, two bedrooms are furnished in traditional country house style with a variety of curtain treatments, upholstery and the rest, all of which are just to give an idea of what can be done.

There is also a vast collection of samples of every kind — carpets, fabrics, furniture, some of it their own design — all of which can be supplied. There is always a small collection of antiques and besides organising the curtain-making, sofa-covering, carpet-laying. Either Juliet Jowitt or one of her experienced assistants will help devise schemes. The house is open five days a week from 10 am to 4 pm.

● **Norland Interiors, 124 and 122 Holland Park Avenue, London W11. Tel 01-221 6735).**

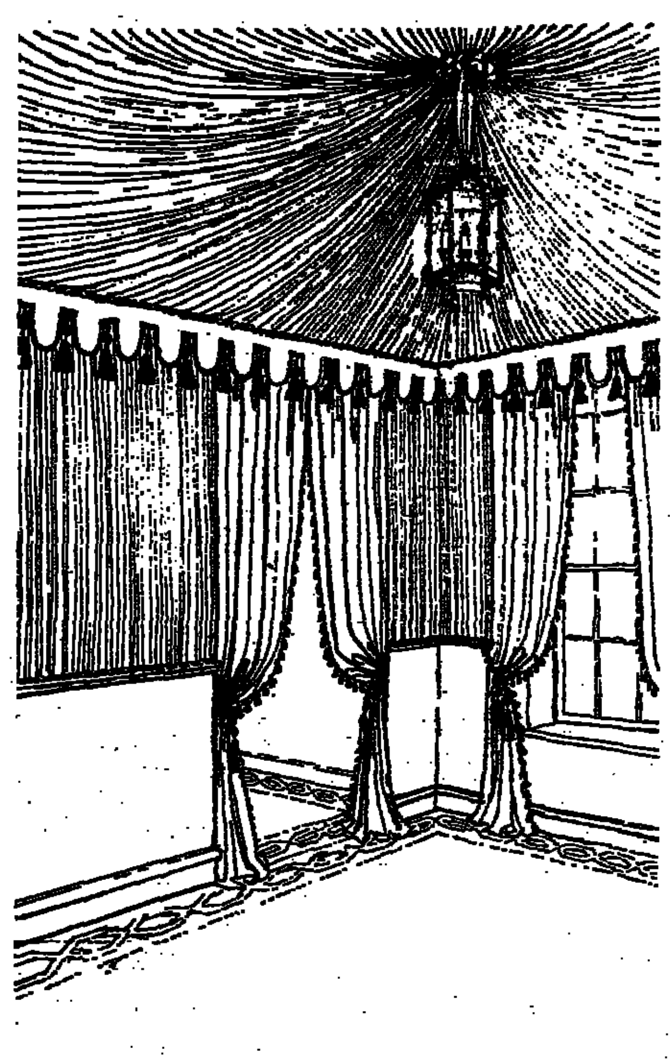
Another interior design service started by somebody who found that she learned so much doing up her own house that she might as well pass it on—for a fee! Sue Arnold used to be a barrister but has given it all up to start her own business. Here under one roof is everything the home renovator needs—the carpets, the curtains, the taps, the pipes, the plaster mouldings and the brassware.

It isn't a service on the cheap—it's aimed at the heavy-earning, hard-working busy professional who wants the best but doesn't have time to find it. She will organise anything from just "pelmets and frills" to the building work and the plumbing. There are complete roomsets where clients can gather something of her taste (it veers towards country house traditional with a touch of London sophistication thrown in).

Val and Geoffrey Cridland, who used to run Eximious (well-known to generations of How To Spend It readers), are joining to help run a retail shop which will sell all the finishing touches.

The Charles Hammond Shop, 253 Fulham Road, London SW3 (Tel 01-376 5599).

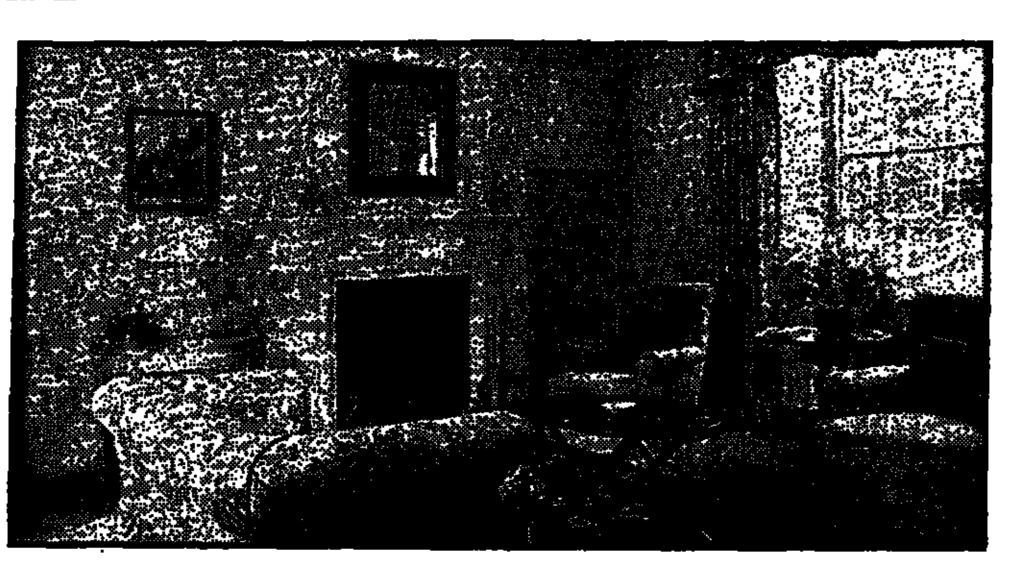
Charles Hammond has been a famous interior design company around London for many a long year. Chief purveyor of country-house style to London Sloanes, it has recently made huge efforts to update its whole operation.



This week saw the opening of the first exclusively retail shop. Besides selling many of the charming bits and pieces that make a home (pictures, rugs, lamps, furniture), there will be a vast range of fabrics, from Charles Hammond's own chintz collection to really quite budget-priced lines, to inspire the jaded eye.

The staff in the shop will be trained to give quite expert advice on most aspects of interior design, on the suitability of fabrics for their purpose and so on but if more expert interior design help is needed it can also be got at Charles Hammond, 2a Battersea Park Road, London SW8. For a £50 consultancy fee in London, and £75 outside, an interior designer will come to your house and give you general advice. If you decide to go ahead with precise plans, these of course can all be carried out by the Charles Hammond teams.

If you already have an interior designer in hand then you have access to the London Interior Designers Centre, 1, Cringle St, London SW8 5BX. Here you will find a de-luxe showroom, featuring room sets, furniture old and new (styles as diverse as an Arthur Breet reproduction walnut bureau cabinet and a transparent perspex Butler's tray by Quadrant Four) and some 3,000 different fabrics. There is a cafe, a private meeting room, corners to work in—in other words the kind of comfortable and upmarket centre that New Yorkers take for granted and that we have had to do without until now.



One of the furnished rooms at Thorpe Lodge

...professionally

WHEN YOU take a look at all those girls in pearls who seem to be making quite a good living out of telling you how to swag your chintz and add bows to your picture frames, you might decide you'd like to join them rather than pay their fees.

There are now any number of exceedingly good courses aimed at the new interior decorating boom. You too can learn to drag, stipple, marble and stencil as well as the rest of them, how to upholster and how to treat a window. Here are just a few of the many courses currently on offer.

The Inchbald School of Design, 7 Eaton Gate, London, SW1. *(Tel 01-730 2287.)*

One of the best and oldest-established of them all — teaching the daughters of the gentry everything from landscaping to architectural drawing. There are short courses and long courses and you won't be gaining Jacqueline Inchbald's hard-acquired knowledge on the cheap, but plenty of the Inchbald graduates are now running flourishing businesses. Write for the comprehensive brochures as the number of courses is too long to list here.

KLC, 5 Blythe Mews, Blythe Road, London W14 0HW. (Tel: 01-602 8592).

A new arrival on the teaching scene but an extremely good one by all accounts. It aims to turn out professionals so well-qualified that they can set up in business on their own. There is a purpose-built school, complete with lecture theatre and studio, and Jenny Gibbs, who runs it, has made a point of lining up experts in every field.

The 30-week diploma course costs £6,000 (do not worry, you will soon recoup that when you set up on your own) and starts with basics like construction, plumbing and, electrics, lighting. You are taught technical drawing, free-hand sketching, the development of architecture, decorative styles and lots, lots more.

If all that sounds rather more than you want to learn there are plenty of short courses—for instance there is a three-day workshop on decorative paint finishes, a one-day workshop *on stencilling, a one-day* workshop on china mending, on cushions, on lighting, on upholstery, decorating painted furniture and so on. There is too much to list so if you are interested send for the brochure.

Enriqueta, Paragon House, Lyncombe Vale Road, Bath BA2 4LF. (Tel: 0225 339900).

Enriqueta used to run some wonderfully jazzy vans into which were crammed a mass of samples of every conceivable kind. These she would drive up to doors all over London and out of the back, like a magician producing the rabbit, she would devise some of the choicest schemes *in London. Alas, no* more.

The clamp and the parking meter have driven her to beautiful Bath where she runs three-week courses passing on the expertise she garnered over the years. In the course of the three weeks she seems to cover almost everthing from how to handle the accounting and legal sides of running your own business to paint effects, architecture, basic decoration like filling and priming wood, how to calculate fabric lengths and draw up plans. She runs about seven courses a year and the charge is £1,300. Write to her *for further details.*

Ruth Barclay Interiors, 22, Loudon Road, London, NW8. (Tel 01-586 5797.)

Ruth Barclay runs five-day intensive courses in stencilling. For just £195 (including all materials as well as lunch, tea and coffee) you can learn how to prepare, cut and colour your own stencil design, how to cope with spray-can paints (much more difficult than all those instruction leaflets ever convey), how to apply stencils to fabrics, wood, cushions, blinds, furniture and walls. Send for the full leaflet.

The Ivy House Interior Designers, The Ivy House, High Street, Rode, Bath BA3 6NZ, Avon. (Tel: 0672 830013).

Aimed primarily not at those wishing to set up in business but at those who want to learn more about interior decorating the better to tackle their own houses. "Yes," says the brochure, "there is life after Habitat and Laura Ashley."

The four-day courses aim to help you have the know-how and the confidence to put together your own schemes and is full of the sort of tips most of us long to learn — where you can take short-cuts and where you can't, *how to cut* costs without it showing. Held in design studios in a Georgian House just south of Bath, the fee of £185 (plus VAT) for four days includes a light lunch but not accommodation.

L vd P

Period pieces

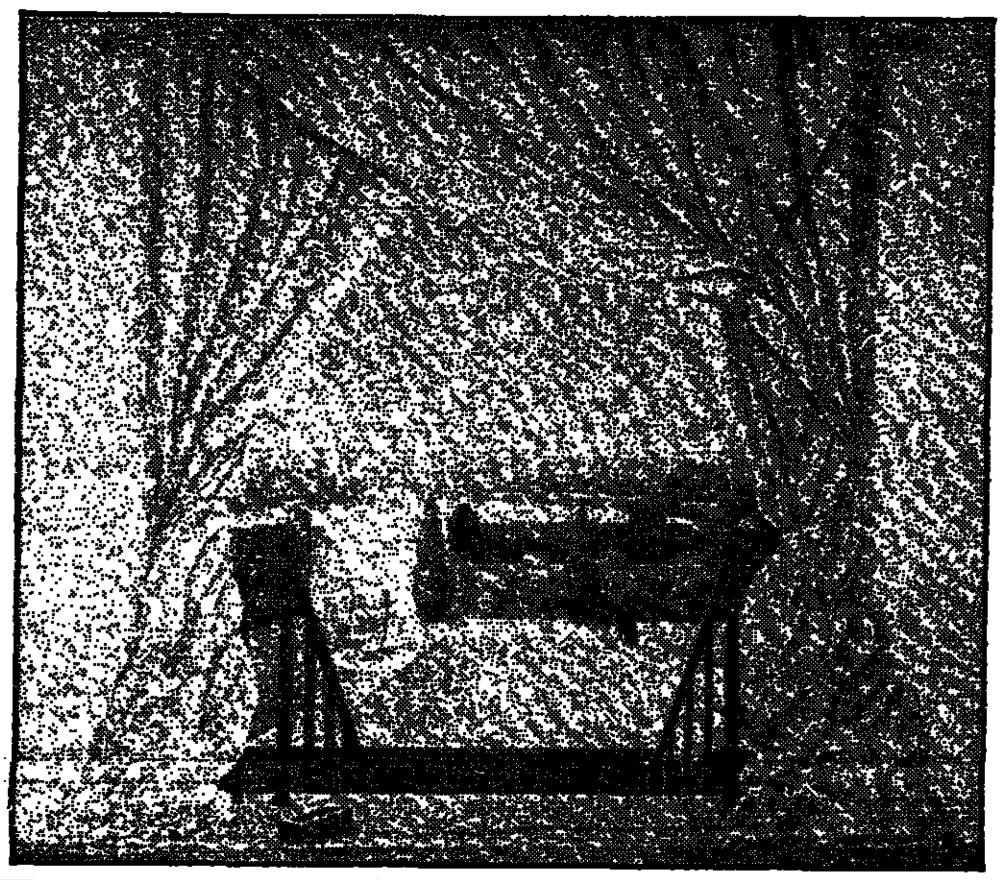
Restoration details are important, says Lucia van der Post

FOR MOST of us, our house is our biggest single investment, as well as a source of almost limitless interest and pleasure. Enormous numbers of us live in what might be called "period" houses, but all too often their original proportions and many of their original details have been covered up—destroyed or, quite simply, removed in the course of the modernisation vogue that swept *the UK after* the war.

Anybody interested in trying to restore a period house to its former glory could hardly tackle a more daunting or a more worthwhile task. It's a project that needs patience, stamina and help. Help is at hand in the shape of Period Details, an inspirational book on the subject by Judith and Martin Miller, published by Mitchell Beazley. Its sub-title —A Sourcebook For House Restoration—says it all. In it you will find not only a pictorial or visual dictionary, period by period, room by room, detail by detail, but also a useful working address book of all the suppliers of the "ingredients" you might need.

Whether you are looking for an authentic Victorian tile to repair a floor, a doorknob that is just right, or a complete moulded ceiling cornice, the directory will yield the source.

Its chief strength is that it is both inspirational and practical. No detail is too small, no problem too difficult, for the author's attention. Well worth the £14.95 outlay.



WITH THE new taste *for grandeur*, indoor murals are appearing in the most unlikely places. I know of one Dorset countryhouse where the back stairs have been totally transformed by an Italian rustic scene, and a small, dark, London dining-room whose walls are awash with painted greenery flourishing all year long and rendering the room quite magical.

Once such things were considered follies only for the rich. In these democratic times murals are on offer to all. If you can afford it and can find the right artist, you can get it done professionally, but if *you're feeling adventurous you* could try your hand at it yourself.

A book to give you courage and inspiration is Patricia Seligman's Painting Murals (published by Macdonald Orbis, £14.95). Apart from an illuminating historical look at wall decoration of every sort, from frescoes to mosaics and panels, it tackles the nitty gritty of the practical problems in exactly the kind of detail the novice needs.

It would be foolish to say that painting murals is for everybody — a modicum of *artistic talent or "feel" is* clearly required — but only a modicum. Patricia Seligman holds you by the hand, explaining clearly about perspective and planning the design of your picture. She outlines several projects in enough detail to inspire even artistic dunces like myself to have a go.

The sophisticated *trompe l'oeil* above is clearly advanced stuff but gives you some idea of the possibilities.

Saleroom

Stamps licked into shape

Die proofs for the 1910 "Double Head" fetched a record £78,100 at Sotheby's this week

AT SOTHEBY'S on Wednesday a set of the 22 die proofs for the 1910 "Double Head" issue of stamps for Rhodesia, which carry the portraits of King George V and Queen Mary, sold for £78,100, a record for an individual lot at a stamp auction at Sotheby's.

At Stanley Gibbons last week a Penny Black, still the most famous and most collected stamp in philatelic history, from plate 11, which had been estimated at £650, found a new home at £1,000.

There are reports from the United States that the famous Philadelphia Blue Boy stamp *changed hands recently for* over $1m, a record for an individual stamp at auction. The Blue Boy, so called because it is printed on blue paper, was issued by the local postmaster in 1846-47, just before the first national stamps appeared.

The evidence is there to show that stamps have recovered from the doldrums. If anything the mayhem on the world's stock exchanges this week should improve prospects because stamps have always been seen as a safe alternative investment when the more blatant ways of making money run into trouble.

The stamp story can be briefly recapitulated. In the late 1970s, when inflation soared and alternative investment became all the rage, stamps attracted a tidal wave of ignorant new buyers, egged on by unscrupulous dealers. Prices of second rate, mass pro*duced stamps, in particular* new issues and stamps of the post-1940 period, sometimes quadrupled in value in two years.

In late 1980, the bubble burst. The speculators retired, badly bruised, and for six years stamps have been a convalescent market, with genuine collectors to the fore. There are still many stamps purchased in 1979 which would be an embarrassment on the market. Anyone who invested £1,000 in the Silver Jubilee issues of 1977 would do well to recoup £250 today.

There is a certain dread among the tightly knit stamp community that investors, heavy with money and naivety, might try and storm the market again. There are few sectors of the fine art world which require more expertise. Even during the low-key 1980s, when stamp shops were closing by the hundred and huckster dealers going bankrupt by the score, postal history has continued to rise in price, and knowledgable buyers have built up valuable collections.

The Rhodesian stamps sold at Sothebys this week in 1,800 lots brought in about £750,000, a tribute to the skill of their vendor, the Californian Bob Gibbs, who has now set himself the task of acquiring a complete run of the next Rhodesian issue.

As the stamp world confronts a brighter future it is a very different animal from a decade ago. The auction houses have become dominant. Christie's is the largest, selling stamps in London and Bournemouth (specialist auctions most months in the capital, with general sales on the south coast), in New York and in Zurich. Last season its turnover was £9.5m.

Then comes Sotheby's, which has doubled its auctions in the past year. Phillips has become a respected force and Stanley Gibbons has re-established itself. The latter is also attempting to make good the major loss which has hit the stamp world in the past decade—the disappearance of a generation of young collectors.

It is the children who take an interest in stamps who become serious buyers when they have reached prosperous middle age. If the stamp bug is not caught young it rarely bites later. Stanley Gibbons is selling stamps through Tesco *supermarkets, making up for* the shrinkage in specialist stamp shops, from over 300 to nearer 60 during the depressed 1980s.

If the rise of the auctions at the expense of the dealers is one consequence of the great stamp freeze the other has been the emergence of the Far East as a powerful force in the market, a direct result of economic prosperity. Some of the best collections are at home in Japan: one, of Mauritius stamps, is insured for more than $10m and is perpetually on the market: another, of early American stamps, is worth double that. The stamps of Far Eastern countries have, not surprisingly, risen in price.

Other areas to show an appreciation in a period of decline have been the stamps of South Africa, where they represent a portable nest egg if the political situation deteriorates, and of the Middle East. The US, where the established collecting money is, commands the highest prices for its early classic issues, but the UK, the pioneer of the whole business, *is still collected by foreigners* as well as nationals. But an average Penny Black can be bought for £50 whereas in 1980 it was selling at nearer £80.

Although demand for the average fair quality stamp, the basic King George V issue in the £50 to £500 price range, for example, is still thin, the price of rarities has risen by up to 15 per cent in the past year.

Major collectors are preparing for the International Stamp Exhibition which is to be held in London for the first time in a decade in 1990. Gold Medals are awarded for the finest displays and winning a medal greatly boosts the value of a collection. However, those collectors who have laboured for years trying to win a prize, only to fail at the last hurdle, are likely to sell off their stamps in disgust.

Memories of the great 1980 slump should save the stamp market from the attentions of ignorant investors. It is in a good mood at the moment. Postal history, classic 19th century issues and stamps of the more prosperous parts of the world, are all showing a steady appreciation. There is even a feeling that the new issues of the early 1980s are worth *collecting* because demand then was so restrained.

But stamps of the 1970s might have to wait many years for their revival: even the classic issues of the countries which leapt on to the investment bandwagon, like certain West Indian and African states, were affected by the reaction. *There is a spate of important* auctions before Christmas. They should confirm the rude health of top quality, rare, classic stamps.

Rarities, glories and confusions

A unique collection of Art Nouveau is on display in Norwich. Susan Moore reviews its impressive variety.

NORMAN FOSTER'S glinting glass and steel Sainsbury Centre does not only shelter tribal masks, Cycladic sculpture, Constructivist paintings, and a fine series of Bacons, Moores and Modiglianis. The least known, and most unlikely, aspect of its multifarious holdings is one of the finest collections of Art Nouveau decorative arts in the country.

For the first time since its gift to the University of East Anglia by Sir Colin and Lady Anderson in 1978, the collection is on display in its entirety (until December 20).

Anderson appears to have been *an enthusiastic collector*, whether of contemporary art, Art Nouveau, or walking sticks. (As director of the Orient Line, he was also responsible in the 1930s for commissioning the world's first truly modern passenger liner, the RMS Orion.) He was among the earliest collectors of Art Nouveau in this country, making his first purchase in 1962 after a visit to Darmstadt.

For the following nine years, until the popularity of the objects made them too expensive, more than 150 items of Art Nouveau glass, furniture, ceramics, textiles, jewellery, metalwork and graphics found their way into the Andersons' Hampstead home in north London.

What makes the collection unique in Britain is its breadth. From the start, Anderson set out to represent European and American Art Nouveau in all its manifestations. He bought from dealers *and at auction*, but also scoured the junk shops.

The result is that beside the outstanding examples of Gallé, Daum, and Tiffany glass, the Lalique jewellery, delicate Rozenburg eggshell earthenware, Mucha posters, Majorelle furniture, and a Morris & Co carpet, there also are humbler objects that illustrate how the style percolated down to inexpensive mass-produced goods.

His friends made their contributions, too. Amid the tulip tiles, finger plates, electroplated inkstands, celluloid hair combs and enamel brooches, that all reveal the sinuous line or organic form of Art Nouveau, is an embroidered linen cloth given by John Betjeman and a pair of brass firedogs culminating in curving buds, a gift from the painter Derek Hill.

The collection's glories are the exquisitely crafted jewels by Lalique and Georges Fouquet. The expression of form through the innovative use of material is perhaps nowhere realised more perfectly than here, where semi-precious and even valueless materials are combined with precious stones and metals. Lalique is shown as both *naturalistic and sumptuous*, with a fragile horn orchid hair ornament, and a butterfly buckle where two swallowtails cling to the opal clasp, their wings confected out of translucent *pique à jour* enamel.

In Fouquet's brooch/pendant, a nautilus shell held in gold strapwork hangs beneath the purple and green enamelled leaves of a stylised orchid, its pistils and stamens made of small pearls and baroque pearls.

A great rarity is the lozenge-shaped enamelled glass vase attributed to Gallé, carved all over and decorated with dragonflies. A slightly later Gallé vase, of the 1890s, takes the form of a Chinese Ku bronze vessel, a reminder that Art Nouveau designers emulated the style and decoration as well as the techniques of Oriental craftsmen.

Their sources are surpris*ingly various. Liberty pewter* is borrowed from Celtic pattern; Bolin of St Petersburg's gem-encrusted silver frame is medievalising; and the lustre effect of Tiffany glass was created to suggest the surface of ancient glass that had been buried for centuries. Tiffany fused colour and decoration into his glass.

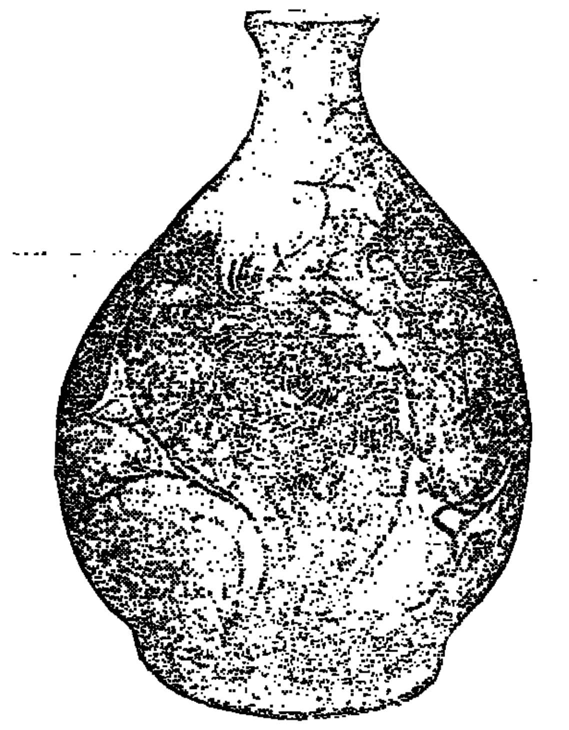
Japanese assymetry and decoration proved a major inspiration. It is evident even in the Nancy school furniture in the collection. Here, marquetry —like Gallé's *marqueterie sur verre* — provides the means of incorporating decoration into *the body of the object. Compli*cated and ingenious illusionistic landscapes and flowers are veneered in various woods on every flat surface of the Gallé desk, its bronze handles and lock-plates cast as flowers or insects.

Yet, the cabriole legs of all but Louis Majorelle's streamlined armchair betray the origins of the workshops as manufactories of neo-Rococo furniture. These pieces look uncomfortable in a movement where exponents professed to be anti-historicist and to advocate design reform.

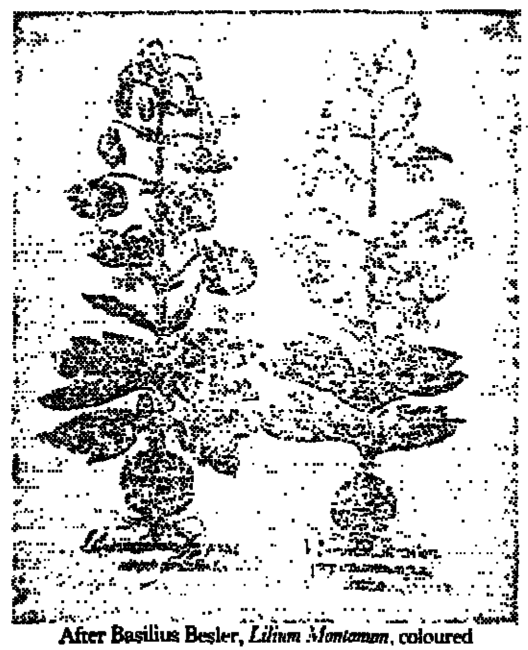
Any definition of Art Nouveau *is complicated* by the fact that the style affected all branches of the arts around 1900, from architects to book design, and emerged virtually simultaneously in several European countries and in America. Each had its own name and peculiar characteristics.

For the English, whose simpler and more functional version of the style evolved out of Arts and Crafts principles, the term would be applied only to the "exceses" of Continental Art Nouveau as typified by the pungent sexuality of the figurines of the dancer Loie Fuller, swathed in swirling and clinging drapery.

In material, geography and quality, the collection reveals the range and contradictions in Art Nouveau, and its value for study purposes. It is also as enjoyable to see as it no doubt was for the Andersons to make.



Rozenburg eggshell earthenware vase 1901



John Lind joins the re-enactment of an epic voyage to Australia

Life before the mast

I am 90 feet above the Atlantic Ocean on the top-gallant yard of the Swedish barquentine Amorina, a triple-masted, square-rigged sailing ship. We are midway between West Africa and Brazil. It's 5 am, I'm alone on the port side trying to furl a sail in a squall. There is only a thin foot-rope between my bare feet and the deck far below. The ship is rolling and pitching.

I grip the jack-rail (which runs along the yard). I clip my belt-harness to it and edge my way out to the yardarm. Everything I touch is slippery. I try to work but cannot raise my stomach over the yard to balance my suspended body. I take 45 minutes over a 15 minute task. At last I clamber down the rigging to the deck's security, swallow a large brandy and ask myself why I am risking my life like this—and paying good money to do so. The squall gives way to a spectacle of pink and gold.

I was sailing for Australia as a paying trainee with a fleet of eight square-rigged sailing ships re-enacting an epic voyage. On that journey 200 years ago eleven ships sailed from Portsmouth to Botany Bay transporting the first batch of convicts. It took more than eight months via Tenerife. Rio de Janeiro and Cape Town—an odyssey of such magnitude it could be compared with a mission of eleven space-ships to Mars today.

The re-enactment is the fruition of a dream for Dr Jonathan King, an Australian historian whose forefather, Philip Gidley King, had been an officer in the first fleet. Jonathan King found a kindred spirit in corporate executive Wally Franklyn. They had to travel a rough and lonely road, seeking commercial sponsors and adventurous ship-owners. Lack of finance dogged the venture, but on May 13 the re-enactment received a royal send-off from Portsmouth.

I had minimal sailing experience. On board Soren Larsen at Portsmouth I tried to appear an "old salt" but tripped on the gangplank. The predominantly British crew was sympathetic. I was relieved that many fellow-trainees were inexperienced. Chris Fox, 23, from Surrey, was sailing all the way to Sydney yet the Isle of Wight was the furthest he had ever been before. And by ferry. More than half the fleet's 143 voyagers were from Australia and Britain. Next, numerically, were Scandinavians, Americans, Canadians, and New Zealanders. Lack of publicity meant spare berths on the early legs.

On the Soren Larsen my accommodation was a bunk, no wider than a coffin, in a cabin resembling a large cupboard which I shared with three other trainees. John Ellicott, from Wapping, was escaping stress at work. We were to become good mates. Our "cupboard" was one of a dozen cabins constructed around the mess from new timber. The screeching during the voyage would become almost intolerable. Each of us had a single drawer beneath the bunks. A dark recess was the place to thrust a jacket or to throw boots. Ablutions could be performed in either of three communal heads but fresh-water showers were not permitted for at least a week. None of us trainees were yet hardy enough to pour buckets of sea-water over ourselves in the brisk weather of the English Channel. We become the great unwashed. Memories of bubble-baths, crisp sheets and clean clothes faded.

Sea-sickness was something which had to be faced for a while. Fleet surgeon Robert Simpson's remedy was a Scop patch placed behind the ear. It contained a chemical which caused blurred vision among some but was generally effective. I only felt queasy on my fourth day. After one week I did not have to wear the patch. Home-sickness came as a sudden wave when the Lizard faded from sight. Many on the voyage would not see England again for almost a year. Convicts 200 years earlier would not have seen England nor their loved ones again. Some of us sensed their anguish.

Dr King instilled a sense of history and occasion into the ship's company. Some 200 years ago the shipping lanes had been busier and there were more dolphins. On May 15 1787 the fleet had hauled aboard 60 casks of Dutch gin found floating in the Channel. We were not so lucky. Days and nights blurred as one watch led into another with brief respite. Twelve to four. Four to eight. Eight to 12. The "graveyard watch" from midnight to 4 am was the hardest—a nocturnal watch without the reward of sunrise. Nightwatch look-out was the most tedious. For an hour at a time one would stare into darkness. Helmsman at night was the most romantic duty. I would grasp the large wooden wheel with both hands, follow the designated course by glancing twixt compass, sails and stars and pride myself that the ship had been entrusted to me.

One afternoon, somewhere off the Bay of Biscay, I noticed a blue plastic sheet floating by. In our void it seemed a major event. I entered the observation into the watch-log. My perspectives were changing. I was in two worlds. One was almost silent, empty and floating. The other was a crowded world of cramped conditions, of creaking, pitching and tossing in which I stumbled and bruised myself daily.

Rigging is a term which embraces all ropes, wires or chains used to support the masts and yards and for hoisting, lowering or trimming sails to the wind. In a square-rigged ship this is extensive and complex. The sails and rigging were the centre of our world. They were our "catchments" of natural energy and our link with the past. We struggled to learn their secrets, the function of the halyards, bunt lines, sheets, braces, clew lines, downhauls and preventers and which pin-rail to run to and which belaying-pin to attend.

There is a particularly nerve-racking moment when climbing aloft. It is getting over the futtock shrouds beneath the top (a small platform up a mast). After climbing 30 ft up the ratlines one has to lean out backwards into thin air with only arms and a foot in contact with the quivering rigging. Bosun John Gryska's advice was: "If you hold on you won't fall off." It was essential to trust oneself. Three months later on the Amorina I would be confident enough to dance on the highest yard in the fleet, her 110 ft high royal, in and out of Rio harbour. In the immensity of the South Atlantic I would head up there daily for solitude above the gliding albatrosses. Once, when descending from her royal, a pitch swung me off the rigging. Only one hand held me onto a shroud. But by then I had the confidence to know that the next pitch would return me to the rigging in a matter of seconds.

Food varied from ship to ship. Supplies had to be carefully calculated. On one ship the crew was down to flour, water and sunflower seeds a week off Brazil. Flying fish and flying squid hit the deck or flew through open ports but few fish were caught off the side. Anna Kristina lost a hook to a sizable shark.

Cleaning the heads was part of our duties. When the Amorina listed severely the heads would "give" more than they "received," a hazardous situation for those with open wounds. One day I observed an exhausted friend scrubbing out the heads. I knew he had paid over $30,000 for the eight-month voyage. I thought of the voluntary inmates in the film One Flew Over the Cuckoo's Nest and wondered if we had joined them.

It had taken the first fleet 55 days to sail from Tenerife to Rio de Janeiro, using the north east trade winds to the doldrums to pick up the south east trades and the Brazil current. The re-enactment would break up this long leg with calls at the Cape Verde Islands off Senegal, Salvador-Bahia in Northern Brazil and Bouzios, a fashionable resort a day north of Rio. Exotic ports of call were our rewards for the long days and nights at sea. The sea was our reward from the frenetic ports. We enjoyed visits by dolphins, saw meteor showers, glorious sunrises, sunsets and nights when stars and phosphorescence seemed to dance together.

Hump-backed whales made rare appearances. One memorable day off the Spanish Sahara the crews of Anna Kristina and New Zealand's R. Tucker Thompson, a gaff topsail brig, swam among pods of dolphins and northern bottle-nosed whales.

The single disappointment of the re-enactment is its failure to sail as a fleet. Fleet formation is saved for arrival and departure from ports as a public spectacle. On the high seas we were fortunate to see any of our ships. This was particularly distressing in the immense South Atlantic when the Amorina became separated from the flagship by more than 500 miles. She and the Bounty are the two largest in the fleet.


"A crowded world of cramped conditions, of creaking, pitching and tossing . . ."

Amorina's skipper Captain Sven Stromberg honoured trainees' expectations to sail and took her on a lonely course far south to catch stronger winds. She was the only ship in the fleet to visit the remote island of Tristan da Cunha which receives only eight ships per year. After a stormy passage we saw her at dawn like a great slumbering whale, a grey Ayers Rock. Rough seas prevented landing. We were still only half way to Africa. It was a relief to see Table Mountain's distinct form, glowing red and gold at sunrise on September 9. We had sailed for 31 days from South America to Africa and survived.

So the re-enactment sails on from the Cape of Good Hope to the only two major diversions from the original route — Mauritius in the Indian Ocean (estimated time of arrival October 29) and Fremantle in Western Australia (estimated time of arrival December 12). I believe the growing pains are over. Henrik Nielsen's death—lost at sea in the South Atlantic — jolted us into a sense of reality and solidarity. We realised we were not simply part of a re-enactment but a voyage of jeopardy and dignity in our own right. Last minute funding from the Australian Bicentennial Authority had got the fleet out of Portsmouth. A heart-warming response from the Australian public raised enough money to fund it to Sydney (estimated time of arrival January 26 1988). This will be exactly 200 years after Commodore Arthur Phillip landed the first spoilers of Australian Aboriginal culture.

Tickets can be obtained from Teachers World. Phone 01-892 8164.

Simon Tait looks at a history of the Royal College of Art

RCA label for the stars

WITH THE gnomic Sir Henry Cole so constantly at the centre of things around the mid-19th century — reorganising the Public Record Offices: devising sticky stamps for his friend, Rowland Hill; encouraging another friend, William Thackeray, to get on and write something decent; commissioning the first Christmas card; creating the Great Exhibition and inventing South Kensington — it is hard not to have him at the start of the Royal College of Art.

"We must have steam — get Cole" was Prince Albert's joke. So it comes as a surprise to find that the RCA was not, as I had always thought, a child of Cole's most enduring creation, the Victoria and Albert Museum. "On the contrary," says Christopher Frayling, professor of cultural history at the college. "The V and A was to all intents and purposes the college's visual aids unit."

Frayling's history of the RCA is to be published next week,* and its title hints at the constant war there has always been between the ethics of art and of design, really reconciled only quite recently.

It is at times a farcical story which started with a controversy of quite a different sort. The Government School of Design, as it was called first, was set up in the year of Queen Victoria's accession, 1837, after 13 years of lobbying by the Romanticist painter Benjamin Haydon — mostly, it seems, to spite the art establishment which, to him, was the Royal Academy. But it was the RA which was given control.

The idea was to give industrial nominees a training in "high art" to improve the performance of manufacturing industry; but partly because the average age of the first students was 14, and partly because the RA schools felt their domain was being trespassed upon, life classes were forbidden.

The school started in Somerset House; and if the RCA's recent history seems blood-spattered—14 of the 17 heads of department three years ago have gone—it is nothing compared with the first decade. In 1845 there was even a students' revolt over Horsley's predecessor, John Herbert, who irritated the director, Charles Wilson, with his habit of speaking to the students in a French accent, even though his only language was English.

It became the National Art Training School and in 1896, to give it some extra status above a mere teacher training seminary, the Royal College of Art.

Thanks to an extraordinary lack of archives — what there were seemed to have been destroyed in the 1950s — there is no record of the students who went through the school in the 19th century. But we know that they included Kate Greenaway, Gertrude Jekyll and Edwin Lutyens

The high-art Italians had the upper hand after Walter Crane's brief reign in the 1890s, and the 1920s and 1930s saw a great blossoming of painting and sculpture during the period when Sir William Rothenstein was principal. This was the time of the Leeds Group of students, Edna Jinesi, Henry Moore, Raymond Coxon and Barbara Hepworth; of teachers such as Paul Nash; and of soirees with T. E. Lawrence, G. K. Chesterton and Walter de la Mare.

Robin Darwin great-grandson of Charles, was principal from 1948 to 1971, and he brought great change. Darwin it was who had the college moved from its various "shacks and mansions" into a mainly central unit at Kensington Gore. It became a wholly post-graduate college with university status, and in 1967 it was given a Royal charter with Darwin as rector.

The RCA has never ceased to be volatile but has reconciled itself to producing both artists and designers who can become stars: Auerbach, Kossoff, Middleditch, Hockney, Kitaj, Blake, Zandra Rhodes, Ossie Clark, David Mellor, Alan Irvine, Mary Quant, Kenneth Grange. Absurdities are still a part of college life.

* *The Royal College of Art: 150 Years of Art and Design.* Published on October 29 by Barrie and Jenkins; £19.95 hardback, £12.95 paperback.

John Elliott looks at reading traditions in India

Ready for a book boom

LOOK AT the business executive next to you on an internal Indian airline flight and the odds are he will be reading a guide on how to be a better manager or a current affairs magazine. Scan the wall of well-off homes in New Delhi and other cities—rarely will there be shelves packed with books, certainly not books that have been read.

India has no tradition of reading for pleasure. Books come last in most educated people's spending priorities, in spite of a great thirst for knowledge. Its main Hindu religion and its culture is usually communicated orally, rarely by reading, and during the past few years a television and video boom has dominated leisure time for the well off.

"You go to a rich man's house or a cabinet minister's and you won't find a book—there'll be magazines and newspapers," says Mr Kushwant Singh, a veteran author and columnist. "Most publishers earn their living on text books, with universities and schools making up a large proportion of what is sold.

But Mr Singh and other informed observers believe the book market may be expanding, especially on the demands of a growing university population, now 5m.

The number of newspaper and magazine titles has grown from 14,500 in 1977 to more than 21,000, with a combined circulation, in 1983, of 55m (according to official statistics). They include sophisticated magazines such as India Today, a current affairs fortnightly with a 380,000 circulation in English and 240,000 in Hindi, India's main language.

Now Penguin Books, the international paperback publishers based in England, is setting out to test the growth theory. Penguin India has been launched in partnership with Ananda Publishers of Calcutta. It plans to publish about 24 fiction and non-fiction titles a year concentrating on new works by Indian authors writing in English and translations from India's regional languages.

All statistics are vague and unreliable in India. But it is estimated that while adult literacy may now extend to 40 per cent of India's population of 760m-800m, about 2 per cent of the population speak English, which is the common language binding together a country of 16 regional languages, dozens of dialects. Publishers estimated that more than half India's English-speakers buy books—a potential market of 4m or more people.

India claims to be the seventh largest publisher of books in the world—about 14,500 new titles a year in all its 16 languages—and the third largest English language publisher (5,000 new titles a year) after the US and UK.

English books have been published in India since the early 1800s. At the beginning of this century the main publishers from the UK were Oxford University Press, Longmans Green, and Macmillan, all of which are still there, and Blackie, which has left India.

In the 1970s the Indian publishing business was boosted by the US, which provided surplus funds from its PL480 low-cost wheat loans to finance Indian reprints of US educational titles. US publishers such as McGraw Hill, Wiley and Prentice Hall now operate in India.

But in spite of this—considerable—history of English language publishing, the quality of writing (as well as the paper, printing and binding) is poor and uneven. A well-known Indian publishers' name like Rupa and Vikas on a book does not guarantee quality, mainly because very few Indian publishing houses have editors—even fewer editors who combine experience with authority.

Some publishers argue that it is a lack of good, reliable, consistent publishing, not India's cultural traditions, that has slowed growth in recent years. "There is a genuine book hunger in this country, but publishers are not taking account of it," says Mr Tejeshwar Singh of Sage Publications, a joint non-fiction venture with Sage of the US.

"There is a ready reading public. The problem is a lack of reading editors and publishers," says Mr Ravi Dayal. "Most Indian publishers are illiterate—they produce the book of their friends," adds Mr Kushwant Singh.

Penguin India, with whom Mr Kushwant Singh is consultant editor, hopes to change that pattern with books of consistent editorial standards and, for India, unusually high production quality.

The launch list of six books by Indian authors includes a first comic novel, Fowl-Filcher, by Ranga Rao; a translation of a well-known Bengali novel, Arjun, by Sunil Gangopadhyay; and a collection of poems by Dom Moraes.

Other publishers consider the list a cautious one. But Penguin hopes that, one day, successors to recently successful Indian authors such as Salman Rushdie, Anita Desai, Amitav Ghosh and Vikram Seth will go first to Penguin India instead of looking abroad for the kudos of a foreign publisher.

Back in time

Country
Notes

LAST weekend I went back in time by half a century. There we were, my wife and I, sitting in the dim glow of an oil lamp (second hand when bought) by a wood fire, eating bowls of soup warmed up on a camping stove, listening to a radio for which fortunately we had batteries.

There were candles in the hall but no mains electricity and no hot water because the oil-fired boiler depends on the same vital spark as the rest of my farming life. Outside, I knew the reservoir would soon be empty, leaving without water the stock belonging to three farms that depend on the same well. There were 1,000 ewes, 350 dairy cows and 1,000 pigs—plus 20 houses, a mill and mixing plant, my petrol pump . . . and so on.

Like everywhere else in the south of England, the emergency began on Friday morning although the real impact of the storm was made clear only as the news bulletins rolled in. London was blacked out, they said (about time, too, I thought—we often get that and get little sympathy for it). The men came to work with reports of fallen trees, so it was all hands to the chainsaw to clear the roads.

The power of the wind became evident when I saw some oaks in the home paddock—solid trees of considerable age which had been stripped of heavy branches. Luckily, the sheep in the field had not been lying beneath them.

I and my neighbours rang the electricity board. When would we get power again? No promises could be made — in fact, the calls often were not answered. It was frustrating to learn that two neighbouring villages still had power. The phones were still working and a great deal of negotiation was going on to find room for the contents of deep freezes before they turned to mush.

On Saturday, the reservoir ran dry but, as the current was restored to the house and farm late on Friday night, there seemed to be a chance that the pump would be working on Saturday. It was not to be. The pump needed a three-phase supply and we only had two phases. We bombarded the electricity board with requests for help and reached only secretaries skilled in stonewalling.

They took no notice of tales of cows bellowing round empty troughs, of the squeals of thirsty pigs, of households having to live without central heating and cooked meals. They were working day and night and doing the best they could. Then we were encouraged by the rumour that a team of linesmen was working towards us and would be there that night. But they were not.

By Sunday morning we had some sort of routine, using a sprayer tanker to pick up water in the next village for the pigs. Fortunately it had been cleaned out, but watering the pigs is a messy job as they rely on bowls for the most part.

In the house (and all the houses affected) we were wondering how much longer the contents of the cold water tanks would last before we had to switch off the central heating and the hot water and rely on rain water for the loos. It takes a three-gallon bucket to get a decent flush. The electricity people were no help at all ("you are not on the board *for today*"). And that was that.

Considering the force of the storm, we did not suffer too badly in actual damage. The roof of one building, a pig shelter, was blown in bits for some 800 yards and a row of quite strong shelter trees was cut in half. The woods were a mass of fallen branches—damage made worse by the heavy leaf the trees are still carrying. The dying chestnut in front of the house—which we were intending to replace—lost all its leaves but withstood the storm otherwise because it offered less resistance.

There were lessons to be learnt. Keep a supply of batteries and Calor gas cylinders up to date. Get hold of a three-phase mobile generator. Secure a new water tank. And hope this will never happen again while I am here.

John Cherrington

High Street Wine

Young appeal

WAITROSE lists more than 100 white wines, mostly dry; and at a recent tasting it showed 20, on which I concentrated, with a couple of desert ones at the end. Nearly all were from the 1986 vintage, which you would expect to find in most merchants' and restaurant lists.

The positive "attack" that such young wines usually have is popular with many consumers, too, particularly those types made from the Sauvignon grape; and the quick turnover of wines a year or less old is obviously popular with growers, merchants and restaurateurs as well. Often, though, such wines tend to be somewhat green and immature.

It is partly a matter of personal taste. When once I suggested to a leading Sancerre grower that his product tasted better after six months or so in bottle, he replied that it was at its best in the January after the vintage: hard on the stomach for many of us.

So, when a green "strike" is attributed to any of the wines I mention, this might not be considered by some a reason for rejecting or delaying opening them. All are in 75 cl bottle unless otherwise noted.

Castilla de Liria Valencia, N.V. (£1.85-70 cl). People might be a little suspicious these days of wines priced below £2 a bottle but this is very fresh and fruity with some oak flavour that gives it a slight chardonnay-style bouquet. A good example of the greatly improved wines you might expect to see coming from Spain, and very good value.

Rioja Anares, 1985 (£2.75—70cl). There are few good white Riojas. This one is typically oaky, poorly balanced and distinctly coarse.

Rioja, Marqués de Murrieta, 1982 (£4.45). On the other hand, Murrieta is well-known for its excellent white Riojas and this one has a lovely full nose and a flatteringly oaky taste: perhaps a little too much so, but seductive. Good values for those who like their Riojas white.

Vin de Pays des Côtes de Gascogne, Dom. de Planterieu, 1986 (£2.15—70cl). Another of these recently produced Gascon wines, made from Ugni Blanc—the grapet of armagnac—and 30 per cent Colombard. The nose is attractive but the flavour is still rather green on the palate.

Vin de Pays des Côtes de Gascogne, Dom. de Terriquet, 1986 (£3.95). This, interestingly, is the same wine as above, but matured for some months in small oak casks. As a result it has much more bouquet, a fuller flavour and is less green. For my money, it is worth the higher price.

Muscadet de Sèvre de Maine, Dom. de Chateliers, 1986 (£2.75). The aroma is a little closed but there is more flavour to this sur lie wine than often the case with Muscadet. Good value.

Vin de Haut-Poitou, 1986 (£2.95). A VDQS wine, this is typical Sauvignon, with a strong nose and a rather thrusting flavour.

Blanc Fumé, Les Griottes-Bailly, 1986 (£4.95). The nose is fine and fresh but the taste is green and immature for my taste. A very typical Pouilly-Fumé from the Sauvignon grape.

Chablis, Jean-Claude Dauvissat, 1986 (£5.95). The distinctly oaky nose and flavour covers a green "strike" in the taste. Perhaps one from one of the newer vineyards of the expanding Chablis vineyard area. For those who like their Chablis very young and fresh.

Houghton Supreme, 1986 (£3.75). This West Australian wine from a leading producer is an unusual combination of 70 per cent Chenin and 30 per Muscadelle. A fairly soft but oaky nose and flavour, with strong acidity at the end that will *probably* ensure *its* development with a year or so in bottle.

Waitrose Gewurztraminer d'Alsace, 1986 (£3.15). A typical example of a highly distinctive wine and still quite aggressive on the palate, but even now particularly well suited to go with smoked foods that kill most other wines.

Bernkastler Badstube Riesling, 1985 (£4.45). Certainly not a dry wine by German standards, but not sweet enough to avoid with light savoury foods. *With a lovely Riesling* bouquet, good food acidity and plenty of fruit, the grosslage (district) wine comes from the Lauerberg estate that owns a tiny portion of the Doktor vineyard.

Jurançon, Cuvée Quadri-Centenaire, 1984 (£3.15). From the big co-operative just outside Pau, the cuvee name recalls King Henri Quatre's fondness. Made from the local Manseng grape, this is the classic, delicious, sweet but firm wine peculiar to this south-west France district. Excellent value.

Moulin Touchais, 1979 (£5.95). This unusual Anjou wine from the Chenin grape has a balance of acidity that prevents its rich sweetness from being just bonbon-like. An experience to drink that amateurs of fine sweet wine should not miss.

Edmund Penning-Rowsell

Portraits painted for posterity

HOW TO SPEND IT

Lucia van der Post

IN THE days before television and before we all became snap-happy, portraiture was not just a noble art but an essential one. Today, newspapers and television flash images of every head of state, film star, major or minor celebrity around the world so we are not short of visual information about our chosen idols.

In times gone by, only the artist could enable the wider world to know what a reigning monarch or head of state looked like; only an artist could preserve for future generations the beauty of a nobleman's family, the sumptuousness of his house.

It's not surprising, therefore, that our times have lacked a Rembrandt, a Gainsborough or a Goya. But in recent times there seems to have been a curious revival in the art of portraiture.

Partly it's to do with the return to respectability of figurative painting. Now that young artists can embrace portrait painting without losing credibility with their peers, a younger, more adventurous approach to the art is bringing a new sense of excitement and vitality. Partly it's because some of the incomes that can be earned have impressed struggling artists and partly it's to do with burgeoning affluence creating a more enlightened commissioning public.

Finally, as a splendid introduction to the National Portrait Gallery's book on 20th century portraiture puts it: "Painters like Warhol and Hockney have . . . . shown that in the final analysis, the subjective eye of the artist transcends the mechanical eye of the camera. Using a photographic image of one of the most photographed people of our time, Warhol has ironically created perhaps the most enduring icon of post-war years in his portraits of Marilyn Monroe, effectively distilling a lifetime's photographs into one unforgettable image."

Anybody who still thinks that portraiture is an unexciting and stuffy art should pay a visit to the National Portrait Gallery and take in the wide variety of styles on offer.

No longer is portraiture reserved for the rich and noble —a triple portrait of the trade union leaders Lord Gormley, Tom Jackson and Sid Weighell is the first image to assail the eye. Then there is the giant-sized portrait of Ian Botham by John Bellany. Just nearby is Sebastian Coe, relaxed and informal in tracksuit and running shoes; nearby a cherubic Paul McCartney smiles down and though there are famous faces a-plenty there are also many anonymous images given here a *form of immortality.*

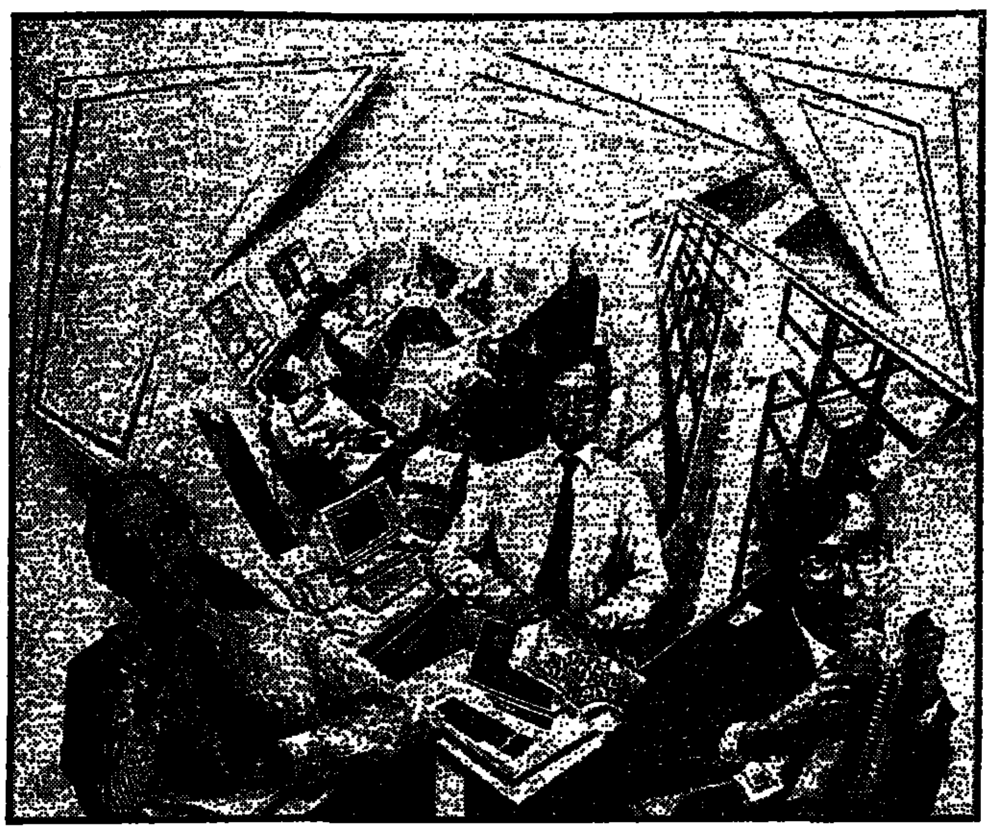
These days portraiture is for (nearly) everybody—the grand established names can cost you up to £32,000 for a full-length group oil but new, young artists are often prepared to work for very much less. You are, however, unlikely to get anything very good for less than £1,000. You could get a small pastel head for about £200 but the vast majority of portraits painted cost somewhere between £2,000 and £10,000.

William Packer, our visual arts critic, is keen that those who are interested in commissioning a portrait don't think just in terms of established portrait painters. He thinks one should be prepared to find an artist whose work one admires and then to ask that artist to do a portrait. They may well respond in a very interesting way. If you need help, the National Portrait Gallery, quite apart from having plenty of inspiring examples on show, will try to help you find the artist who would suit you most. It has files of the work of 250 different artists.

You should make an appointment by writing to either Robin Gibson (the curator) or Miss Honor Clerk, of the 20th century department, and they will, by dint of judicious questioning, guide you to the right artist for you. Write to: The National Portrait Gallery, St Martin's Place, London WC2H 0HE.

The Royal Society of Portrait Painters is probably the place to go for those who are looking for an artist of a more traditional sort (little that is abstract or avant garde here). It has a fine full-colour brochure with lots of glossy pictures showing examples of the work of its members. It offers a similar service to the National Portrait Gallery in that it has photographs of the work of 42 artists while in the Mall Galleries at 17 Carlton House Terrace, London, SW1Y 5BD there is always a big selection of work on show.

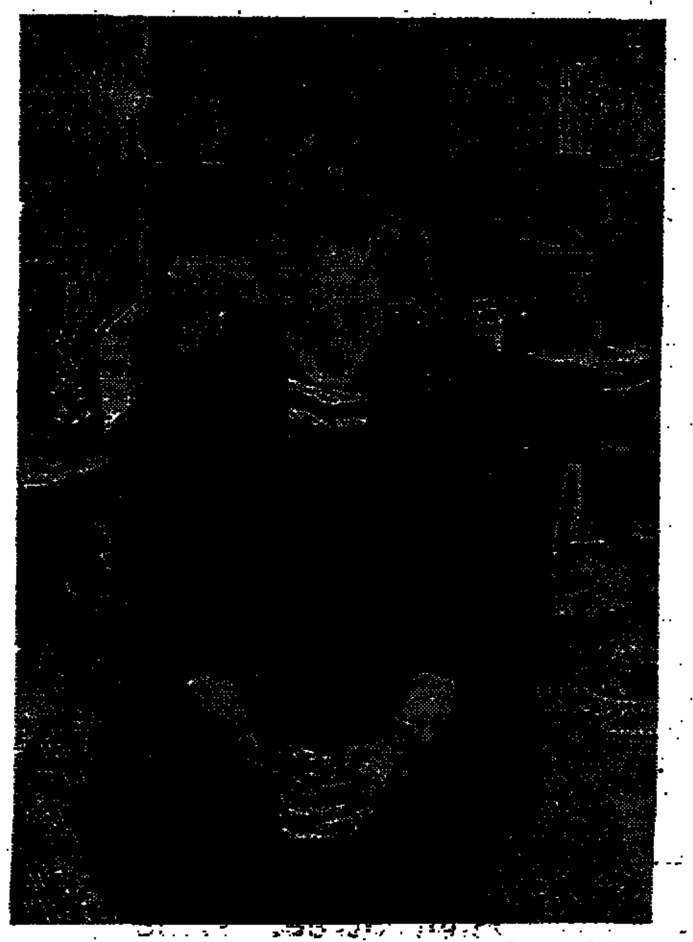
Anybody interested in exploring sculpture as an alternative can get advice from the National Portrait Gallery or from the Royal Society of British Sculptors, 108, Old Brompton Rd, London SW7. Tel 01-373 5554. To whet the appetitie and to give you just a small idea of the range of styles on offer today, here is the work of just a few of the most interesting artists around.



THIS GROUP portrait of the three men who run Framlington Trust is a far cry from the conventional city portrait. Here are no stuffed shirts, keen on perks and traditional ways — here are chaps with their jackets off, their screens at the ready, doing business the modern way.

Tim Miller, chairman of the group, took the initiative in commissioning Anthony Green. He had been inspired to go for something adventurous after he's seen a marvellous Frank Stella behind the reception desk in a company he was visiting in New York. He had always liked Anthony Green's portrait of his grandfather's family in the Tate Gallery and so asked him to paint a picture that would sum up the essence of the Framlington Group.

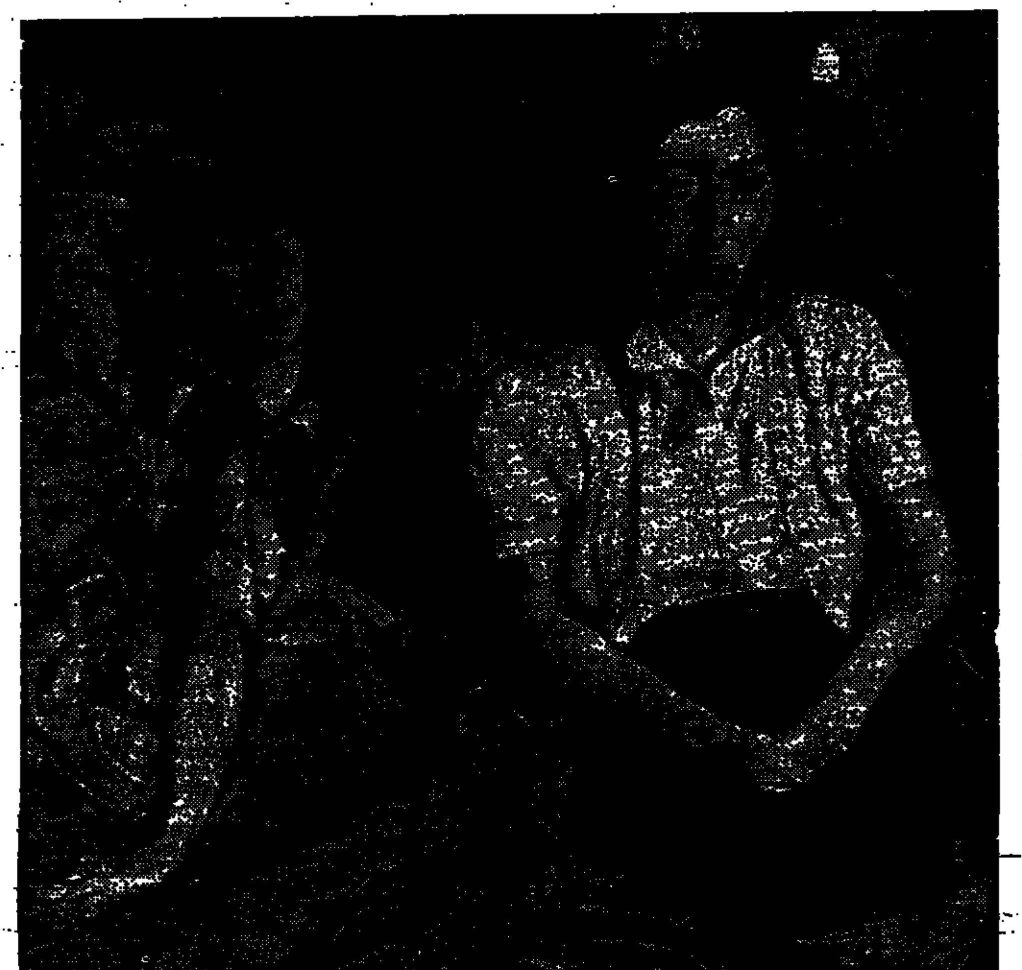
He didn't specify a portrait, and was somewhat embarrassed when Anthony Green suggested that to him Framlington was its people, and that a group portrait of Tim Miller and two fellow directors was what he would like to do. Today it hangs in the boardroom. Not everybody who visits the boardroom likes it but at Framlington they are all thrilled. "It's exciting, good and up-to-the-minute and to us it seems to show a truthful image of city life."



Andrew Ratcliffe's portrait of Sarah (above) was not a straightforward commission at all. Through the Arts Council's scheme for funding artists in residence in local schools throughout the country, he came to spend a week in a comprehensive school in Chorley, Lancashire. He was only to be there for a week and he decided to see if he could paint a complete picture from start to finish in that time. He always paints from the figure so he asked a friend of his, the said Sarah, to come and sit for him.

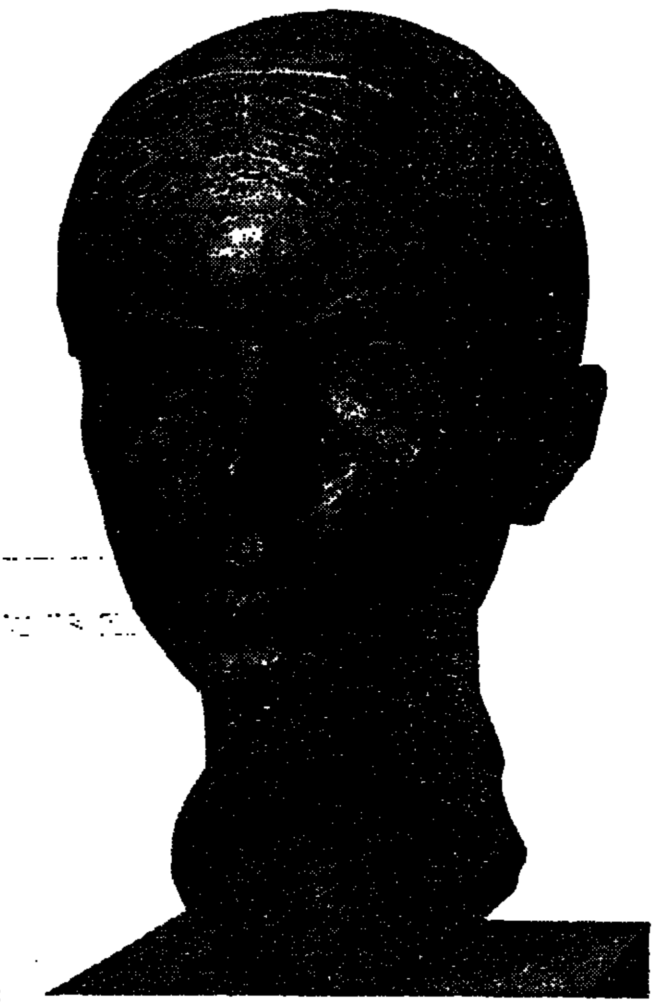
He began the drawing on Monday, started painting on Tuesday and finished on the dot of 3.45 on Friday.

Andrew Ratcliffe can be contacted at 14 Lombard Grove, Fallowfield, Manchester 14. His usual fee is about £3,000



MICHAEL TAYLOR'S portrait of Caroline Watching Television is clearly not strictly representational at all. It has a brooding sense of surrealism about it and is a good example of how portraiture these days encompasses a wide variety of painterly styles. Though Michael Taylor claims that his style varies according to the subject (for instance he is doing a bishop at the moment and is approaching it in a more strictly representational manner) he clearly has a singularly interesting approach — in the portrait shown on the left there is a depth and richness that repay endless study.

He usually paints people, even when not commissioned to do so. At the moment he is exceedingly busy but anybody interested in commissioning something for the future can contact him at: 1 Upper Street, Child Okeford, Blandford, Dorset. He charges about £1,500.



WHEN IT comes to city commission (or private ones come to that) few people seem to consider a sculpture. But a head in the round has quite a different presence from a portrait. It has a strength and a brooding sense of being which makes it a quite different proposition. Frances Baruch has been doing heads for several years now—from the distinguished and famous (like the young Margaret Drabble, above) to friends and acquaintances.

She likes to work very quickly—if possible about six sittings of at least two hours at a time, as close together as possible. She specialises in trying to capture a close likeness. Contact her at 16 Clifton Hill, London NW8. Because of the cost of casting, sculptures do not come cheap. The recommended fees of the Royal Society of British Sculptors, including the casting costs, are from £1,463 for a child's head, to £2,435 for an adult bust.

Food for Thought

The mushroom cloud

"OVER THERE, underneath tree. No, no, bloody fool. There, borowiki!" Adam the Pole is an imperious figure. He stands well over six feet tall and he is more than seventy. He has a hooked nose and speaks English as if he had come from Warsaw the day before yesterday, rather than forty or so years ago. And he is a passionate picker of toadstools.

Generations of English cookery writers have lamented the native reluctance to gather this most succulent of autumn products. "Thousands and thousands of the best edible mushrooms go to waste in the woods—on this side of the Channel," Jane Grigson wrote despairingly in Good Things. "Inherited fear, perhaps, at any rate fear of the unknown? Or just the result of inertia?"

Ignorance, I suspect, has a good deal to do with it. We do not have a rural tradition of toadstool identification as they do in other European countries. Nor can we take our suspect species to the chemist for a definitive opinion, as you can in France, Germany and Italy.

Daringly, we pick the odd field mushroom (agaricus campestris) or horse mushroom (agaricus arvensis), nibble it apprehensively, and then chortle with surprise and delight when we wake the next morning without finding our limbs twisted in mortal agony.

While our backs are turned the crafty Poles, French, Italians and half a dozen other nations snaffle the prizes.

I wrote a week or two back about the hillsides along the River Spey ringing with the happy laughter of foreign funghophiles (mycophages). Now it is the turn of Epping Forest, Burnham Beeches and other southern woods to fill with strange cries.

Adam's preferred hunting grounds are golf courses—which I had better not say. It would not do to have the hauteur of premier clubs disturbed by a rabble clutching plastic bags bulging with funghi. I would not like it either. I prefer to reserve that pleasure for myself. One pleasant autumn morning, all mists and mellow fruitfulness, we picked 15 lb of ceps and five golf balls off the fairways of a course not a thousand miles from London, where the members pay a tidy bob or two to whack the white ball.

Fairways are favoured areas for good reason. The closely cropped grass near clumps of trees seems to encourage healthy outcrops of boletus. Spotting them is relatively easy. The pleasure of wishing goggle-eyed golfers good morning in Polish shouldn't be underestimated, either.

I do not want to give too many details of the exact habitat that suits this species or that. You will find all you need to know in Mrs Grigson's admirable Mushroom Feast (Penguin) or in the sumptuously photographed Mushrooms and other funghi of Great Britain and Europe by Roger Phillips (Pan Books). There are many other books of funghi identification, all with various merits. I have found these two more useful in their different ways.

However, and this is where Mrs Grigson's fear of the unknown comes in, as every novice mushroom picker knows there is a world of difference between pictures and words, no matter how user friendly, and the real thing. Toadstools, even of the same species, can vary in appearance, depending on age, conditions and location.

Take the cep or boletus edulis to the initiated — or borowiki to the Poles. These are the funghi of fairy tales, with bulbous stalks that taper neatly into the thick sagging roof of the cap. They are easy enough to identify. Their smooth brown tops are distinctive. And the sponge underneath is white. Or is it grey? Or greyey white? Or is it yellowey grey, you begin to wonder. Come to think of it, is that the right shade of brown? Or is it more of a browney orange, would you say? Worrying when your life depends on your knowledge. In case you did not know there are 35 other species of boletus of varying degrees of edibility and, in some cases, poisonability. It is best never to take chances.

This is where an Adam comes in. He will say: "Take a nibble of top. If pinch tongue, no good. If sweet, ok." For boletus, if the top peels easily, you're on safe ground. If it doesn't throw it away. If you have doubts about another species, known in Polish as the ridze (I am not quite sure which species this is in English, but I suspect it may be the Saffron Milk Cap), cut the stem; "If bleed red, eat. If bleed white, poison."

I will not pretend that any of these amount to scientific thoroughness, and other toadstool experts may well point out that the exceptions to these rules makes them more dangerous than helpful. However, Adam the Pole and I are still very much "in life" as he would say, because or in spite of them.

The fact is that not only are a good many funghi poisonous, but a good many more are not worth eating. Mrs Grigson only lists 15 wild varieties are being worthy of the serious mycophage — the field and horse mushrooms, morel, cep, chanterelle parasol or umbrella mushroom, fairy-ring mushroom or scotch bonnet, puffball, lawyer's wig or ink cap, wood blewit, oyster mushroom, green russola, grisette, rubber brush or pig's trotter and the horn of plenty.

Not only are their names various so are their uses. Eat them fresh, if you can. The delicate, nutty taste of the chanterelle stewed in butter is matchless; I do not hold with adulterating them with garlic and onion. The Italian method of frying or grilling cep after annointing them with olive oil and then sprinkling them with garlic and parsley produces a dish of indulgent succulence. Even the common field mushroom shows up the insipidity of its cultivated cousins.

Once cooked—let's say in the Polish fashion, with onions, cream and carraway—they can be frozen. They will lose some of their true delicacy but you will gain a practical and easy first course. Alternatively, if you pick more than you can eat immediately, dry them, in the oven or in an airing cupboard making sure that all their moisture is evaporated or they will go mouldy. Once I made the mistake of trying to dry some on a long piece of string for artistic reasons, and was upset when they turned into a revolting mess because I had *not separated them sufficiently* to dry properly. Once dried they can be stored in airtight jars, and added to stews or scrambled eggs or whatever you fancy. Philip Davenport the FT's cookery writer can enlighten you.

Funghi are extremely sensitive to weather. It may be hard to believe, but until the recent deluges the ground has been too dry for the most part to encourage a real mushroom bononza. But if we have a day or two of mild weather now, the woods and fairways should be studded with little brown and yellow and red caps. So grab your identification manuals. Better still, grab a Pole.

Peter Fort

Julian Amery looks at the life of an English imperialist

Flying the loyal flag

LORD LLOYD AND THE DECLINE OF THE BRITISH EMPIRE

by *John Charmley*. Weidenfeld & Nicolson. £18.00. 312 pages

GEORGE LLOYD grew to manhood in the heyday of British Imperialism. Joseph Chamberlain was his hero; and even the Liberal leaders of the day, Rosebery, Asquith and Grey, proclaimed themselves "Liberal Imperialists." It never occurred to the young Lloyd that the British ascendancy in India or Egypt could be challenged. The only question was how it should be exercised.

Fresh from Eton and Oxford, Lloyd set out to master the Eastern question. Aubrey Herbert, Mark Sykes and Percy Loraine were others of his generation following Disraeli's injunction: "Go East, young man."

Partly thanks to a report on the prospects for trade in the Gulf, and partly because of his family connection with Lloyds Bank, Lloyd soon got a seat in the Commons. He took the radical right wing line, backing Empire preference, opposing the reform of the House of Lords and, in 1914, urging support for France against Germany.

The First World War found him on the fringes of the Gallipoli campaign and associated with Lawrence in the Arab Bureau. But there was no military or political role for him and he decided to forsake politics for imperial administration.

With a little bit of wire pulling he became Governor of Bombay, then regarded as roughly the equivalent of a junior ministerial post. The man was young and dynamic and enjoyed autocratic powers. He transformed the housing conditions of the Bombay working class and drove through the construction of the Indus barrage bringing an improved livelihood to millions of Indians. On the political front he showed a skill which Abdul Hamid might have envied virtually persuading his own Moslem and Congress opponents, Gandhi included, to send themselves to prison.

Lloyd's success at Bombay led to his appointment as High Commissioner to Egypt. This was a very different kettle of fish. Bombay was the epitome of direct rule. Egypt was the opposite, with Britain disengaging as far as possible from day to day affairs, holding on to the essential levers of power but leaving internal government as far as possible to the Palace and the Pashas. Lloyd's paternalistic instincts were shocked and horrified by the consequent growth of corruption and increasing oppression of the "fellaheen." He *tried to put on the brake*. This led to repeated clashes with the mandarins at the Foreign Office and with the Foreign Secretary, Austen Chamberlain.

As long as the Conservatives were in power Lloyd prevailed. His powerful friends in the Cabinet refused to let Austen overrule him.

However, in 1929 the Labour Party came into office and, with Arthur Henderson as the new Foreign Secretary the Foreign Office had its way and forced Lloyd's resignation.

Polo casualties—Percy Loraine, and Lloyd with the bandaged head, in 1906. It is one of the illustrations in John Charmley's biography of Lord Lloyd

For the next 10 years, Lloyd was in the political wilderness supporting Churchill over India. Then he found a new career as chairman of the British Council. In those early days of the Council's existence it was really a non-job; but Lloyd used his personal connections and striking personality to turn it almost into a shadow Foreign Office. He interviewed heads of state and other leaders and advised British ministers—without much success—on what policies to pursue. He urged them to prevent Italy falling into the Axis camp, sought to build a Balkan entente against German expansion and warned against the dangers of German re-armament.

When Churchill formed his coalition government in 1940 he made Lloyd Colonial Secretary and later leader of the House of Lords. But this favourable turn of the wheel of fortune was short-lived. He succumbed to leukaemia and died within a few months of taking office.

In private Lloyd was relaxed, a good talker and a good listener. Young people easily fell under his spell. In public he may have attached excessive importance to prestige and protocol.

The Prince of Wales, after visiting Bombay, declared that this was the first time he had realised what regal pomp should be. The same instinct made Lloyd a very "high" Anglican. On leaving his memorial service a leading Catholic dignitary was heard to observe "that wasn't Rome, it was Naples."

Lloyd's strength lay in a vision of what the Empire could do for its subject peoples, as well as for Britain, and in his determination to ensure that the vision was realised. His weakness was his failure to understand his own countrymen. He could not understand the collapse of the will to rule at home and, though a master of oriental diplomacy, was naively surprised by the Byzantine intrigues against him of the British officials on whom he relied.

Lloyd's general view was vindicated by the outbreak of World War II. He would almost certainly have endorsed Churchill's refusals to "preside over the dissolution of the Commonwealth and Empire." Would his loyalty to Churchill have let him swallow Yalta?

John Charmley's "life" is well researched and written with humour. It redeems much of the criticism of Lloyd as essentially a hard man. It cannot have been an easy book to write and brings out the gentler side of the man's nature not least in his relations with his son, David.

George Watson recollects the days of the advanced guard of modern letters

Eliot and Co

MAKERS OF THE NEW: THE REVOLUTION IN LITERATURE 1912-1939

by Julian Symons. André Deutsch. £12.95, 295 pages

THIS IS the first age in memory without an avant-garde: in fact nobody seems to be writing manifestoes nowadays. A good moment, then, to summarise the novelties of a dead age. London was a hot town for manifestoes in the years leading down to 1914. So was the Paris of the Americans in the 1920s; and Julian Symons, best known as a biographer and detective-story writer, gives us a brisk anecdotal canter through Anglo-American literary Modernism from the days of Pound and Eliot in post-Edwardian London down to the 1930s, when James Joyce wrote his last fiction, the Americans left Paris for home, Eliot left poetry for plays, and Pound, in his own frank and frightening phrase, outlived his intelligence. Or to put it another way, from the foundation of Poetry (Chicago) in 1912 to the end of Eliot's Criterion in 1939.

The Modernists were not strictly a cabal or coterie, though they had their internal groupings. Joyce, Pound, Wyndham Lewis and Eliot, as Symons remarks, were never together in the same room. Always stronger on anecdote than analysis, he tells a story of shifting loyalties and liaisons, bisexual encounters, troubles with financial backers and flirting with strange gods like Fascism, of scraping along or making it rich. In the end only Eliot made it rich, though a few started that way, and he alone emerges as capable of running anything: a faintly secretive being, at once humorous and tragic, who never quite showed the whole of his hand.

Modernism was an easy club to join, as the long chronicle of hangers-on illustrates, but hard to excel in. The new study gives suitably equivocal praise, in a chapter called "The genuine phoneys," to those who came late. Their illusion—surely a natural one—was to suppose that Modernism was about a new world, or what Symons calls Day One of some sweepingly radical venture in the arts. In fact Pound, Joyce and Eliot were backward-looking men: Joyce obsessed to his dying day with his youth in late Victorian Dublin, Pound and Eliot with a pre-industrial Europe they had arrived too late to find. If Ulysses and The Waste Land are about mass-culture, they are also against it. Modernism in its heyday was reactionary, or at best nostalgic, and Pound's first book was called The Spirit of Romance. A pity the movement could not have been called Ancientism, which might have scared off some phoneys, genuine or otherwise, and attracted a more manageable discipleship.

What emerges is a rum lot given to absinthe, lesbianism (both optional), theories of social credit and writing poems without punctuation or capital letters.

The failure of Modernism in its public causes is not something to regret. Joyce, exceptionally, tried to achieve nothing except great literature, and he emerges here as an egotistical success in his own unheroic terms. Wyndham Lewis, classically irresponsible, wrote two books in praise of Hitler and invented Vorticism, calling it "what I personally did and said at a certain period." Pound wanted to change the world through monetary reform with Mussolini's help—there is no reason to suppose he ever admired Hitler—and we may be glad that he failed. Eliot believed that Western civilisation was on the brink of total collapse, with internecine fighting and "people killing one another in the streets," and we may be equally glad he was mistaken.

Only Spain, then largely pre-industrial, behaved much like that, so it was a prediction that showed little judgment about the way industrial societies were moving. And yet The Waste Land is a great poem; and Ulysses, appearing in the same wonder-year of 1922, a great novel. Theories of literature seldom if ever improve literature, and it was not Modernism that made them. But at least the genius of Eliot and Joyce was powerful enough to survive it, as Shakespeare's survived the dramatic theories of the Elizabethans: which suggests that a dud theory can do its worst and still not kill.

Things rule

LIFE: A USER'S MANUAL

by Georges Perec, translated from the French by David Bellos. Collins/Harvill. £15.00 (paperback £9.95) 581 pages

WINTER: A BERLIN FAMILY 1899-1945

by Len Deighton. Hutchinson £11.95, 536 pages

RAVEN'S WING

by Joyce Carol Oates. Jonathan Cape. £10.95 305 pages

SOME QUARTER of a century back a great craze in English letters was to pretend that you understood the French *nouveau roman*, the new novel, and to lament that there were no English new novelists, unless these were Ann Quin or Christine Brooke-Rose—or had Henry Green really been one all along?

Briefly, the French new novel was supposed to be objective. It employed as a method *chosism*, thing-ism, as one of its techniques. Alain Robbe-Grillet, as the chief new novelist, demonstrated how the universe was not for us, and that anthropomorphism was all wrong.

Then it was discovered that this in its own turn was all wrong, and structuralism and deconstructionism and other even more terrible-isms have taken over. But the late Georges Perec (he died at 46 in 1982), one of the practitioners of thing-ism, went on courageously undeterred, and in 1978 produced *La Vie: Mode d'Emploi* (Life: A User's Manual). This work, in very lucid and conscientious translation, is now presented to British readers as a "masterpiece," comparable in scope to Chaucer, Dante and Joyce.

What it really is is the "anti-novel" gone crazy. Perec was a devoted and serious eccentric who, doubtless for very good reasons, could not write a conventional novel. So after a few false starts he wrote Life: A User's Manual, which tells of the lives of the inhabitants of a large Parisian apartment-house.

Georges Perec: creative catalogue

This certainly is not a masterpiece. But it is a curiosity that was well worth all the trouble of publishing in Great Britain, and for some it may well be readable.

Len Deighton's new venture is an examination of the events, seen from the point of view of one family, of the rise and fall of Nazism. It is a formidable enterprise when one considers that Alfred Döblin, author of A People Betrayed and its sequel (both available in this country from Angel Books) attempts, perhaps more modestly, to cover only a part of the same period (1899-1945).

Winter is in fact a first-class piece of engineering. It resembles one of those cut-price, efficient quartz movements which will go perfectly for a year, then stop ticking, and become disposable. It is superior to (say) Airport: superior in information, in primitive psychology, in style. The test in these performances is always the dialogue, and it is the dialogue that gives the game away here.

The prolific American writer, critic and poet Joyce Carol Oates expresses herself in diverse styles. She has written well of both love and prize-fighting. The 18 stories collected in Raven's Wing are expert, sensitive, very professionally written.

Martin Seymour-Smith

Embattled priests

LIBERATION THEOLOGY

by Philip Berryman. I. B. Tauris. £17.95 (£6.95 paperback) 238 pages

GABRIEL GARCIA Marquez wrote his novel, The Autumn of the Patriarch in 1975, three years before the fall of Somoza, the late dictator of Nicaragua. Perhaps Somoza should have read it, because the patriarch has some prescient ideas. "I'm not going to name any cabinet," he says, as the people clamour for democracy, "just a good minister of health."

The radical theologians in Latin America hardly lack for a text, but they could surely find a place for that one. So too might Somoza's successors in Managua, if only they could win their expensive war with the Contras. For the Sandinistas are putting recent Catholic doctrine into practice, even welcoming priests into the government. It remains to be seen whether Christian precepts, tempering Marxist popular nationalism, can provide in Nicaragua the fabled "third way" between capitalism and communism.

It is a tenet of "liberation theology" that theory and practice go hand in hand, but Philip Berryman, who sets out in this book to give the essential facts about the revolutionary movement in Latin America, says very little about Nicaragua. Instead, by reducing the voluminous works of Gutierrez, Segundo and Sobrino to two propositions, he gives a clear, succinct account of doctrines which are usually inscrutable. Material poverty is an evil perpetrated by the rich against the poor. Those who perpetrate the evil offend against God and those who work to end it please him.

As a system of thought, it has weaknesses. The Christian is urged to give away his possessions, as an act of "love and liberation," of "redemptive value." He must also teach the poor that they are victims of inequality, trapped in economic structures which exploit them. Poverty is thus both a good and an evil — and the just society that of the equally poor.

Berryman was a priest in the Panama slums, and though he resigned Holy Orders in 1973 he continues to work with the Latin American poor. In a fierce debate which may yet split the Church he is far from impartial. But he takes care not to sanction, in the name of religion, wholesale political change, denying that the new theology entails revolution. In this he is surely mistaken. Radical Catholics are engaged in two revolutions, one political and the other religious.

From Managua in 1983 to Santiago in 1987, John Paul II has argued that every injustice is a species of offence against human rights. *He* has not distinguished between the closure of a newspaper in Nicaragua, brutality in Uruguay —and the exploitation of labour in Brazil. But in the Christian base communities, the communes in South America set up by the Church, poor Catholics are taught a social theory which distinguishes sharply between types of injustice. "Do not blame Uruguay for its abuse of human rights," declares Segundo "Blame the rich countries which so repress Latin America that she cannot survive except through the establishment of dictatorships."

It may well be that the Nicaraguan revolution will never spread to the complex polities of Brazil and Uruguay. Yet the hopes raised by liberation theology can scarcely be met *except* by revolution.

Above all, liberation theology challenges doctrinal orthodoxy. The Second Vatican Council, which set the timeless truths of the Catholic Church in the context of the 1960s, was itself no Reformation, in so far as the changes flowed from Rome, at the instigation of John XXIII. Yet in the radical Catholicism of Latin America there is every sign of reformation—a new Geneva, in the phrase of a recent visitor to Managua.

Calvin's determination may not have been economic determinism, more a resignation in the face of divine will. Yet Calvin might have seen in the new Nicaragua, a country run by zealous men at least influenced by religion, a shadow of Geneva in the 1500s. As for the distaste of the Vatican for the new theology—a distaste *which has not so much* slackened as matured—that would have struck him as familiar indeed.

Michael Stevenson

Through female eyes

WOMEN

by Naim Atallah. Quartet Books. £15.00. 1,184 pages

AN EDITED book of interviews can work well—Studs Terkel's America—which tells the extraordinary stories of the ordinary people of the US—is a riveting and moving collection. But Naim Atallah has chosen to interview only women he finds "interesting," which means they are career achievers, beauties or privileged in terms of wealth. The title Women is a pretentious misnomer. These are not typical women.

On the dust jacket it says this book "provides a forum in which women express their dilemmas and fears at a time when they are actively seeking more of a choice in their destinies." Apart from the pomposity of the statement, it implies that this was what women spontaneously wished to talk about. Not so, the parameters were laid down by Mr Atallah. Which is why we do not have the views of these, by and large, articulate women on politics, nuclear power or the debt crisis in the Third World but on those old chestnuts, sexuality, relationships, motherhood, etc.

The hidden questions sometimes become obvious. In the chapter on feminism, Mrs Thatcher crops up again and again and predictably is either loved or loathed.

The funniest chapter is on sexuality as this is where the imagery really starts to flow. When Victoria Glendinning says: "A man can be talking to you about Proust one minute and raping you the next," one feels one knows what she means, in a less esoteric way. However her analogy for the sexual act as "a huge sudden hockey match" defies understanding. The importance of the orgasm pops up in this chapter as much as Mrs Thatcher did in feminism, so I suspect it may be another hidden Atallah query.

This lack of coherence is typical of the whole book, but to pretend that these snippets add up to a major statement on women in the 1980s is the kind of misjudgment a major publisher should blush to have made.

Valery McConnell

Powers that were

RULING PERFORMANCE!

British Governments from Attlee to Thatcher.
Edited by Peter Hennessy and Anthony Seldon
Blackwell. £25. 344 pages

THE INSTITUTE of Contemporary British History was founded last year with the aim of collecting and examining records about the relatively recent past and the present as well as taking oral evidence. It is an admirable idea and Ruling Performance, a study of British Governments from *Attlee to Thatcher, is its first* publication.

One should say at the start, however, that the idea has a long way to go, and perhaps requires more resources, before it begins to pay off. Quite the best contribution to the book is the introductory essay by Paul Addison, The Road from 1945, taking up where his earlier study, The Road to 1945, left off. Addison shows that it is possible to be an excellent contemporary historian without the need for new institutes. It takes thought, work and an ability to write.

He explains the post 1945 political settlement as being based on three elites coming together during the war to form a new establishment: the old governing class, the trade union oligarchy and the intellectual mandarins. It was therefore not surprising that there was some continuity of policy for many years afterwards, though he also notes that none of them could see far enough ahead to envisage a society in which the Second World War was regarded as old hat.

Continuity is the theme of the other writers, and in a line that stretches almost without strain from Attlee to Callaghan. So cautious are the authors that they are reluctant to conclude that even Thatcher has broken a mould: apparently contemporary historians still find it too early to tell.

There is also a remarkable absence of criticism. Peter Hennessy's chapter on the Attlee Governments concludes: "From 1945 to 1951 Britain . . . was run very well indeed." Anthony Seldon stands up for the final Churchill administration and John Barnes does the same for Eden and Macmillan. The chapter on the first Wilson Governments by David Walker is ecstatic in its admiration.

The first note of scepticism comes with the arrival of the Heath administration in 1970, but it is no more than that and Heath is described by Dennis Kavanagh as "part of an era stretching from Macmillan to Callaghan." The first and almost only touch of acid comes from Phillip Whitehead, a former Labour MP, writing about Wilson in 1974-76: "From all points of view in the party, his weariness, if understandable, was inexcusable."

Most of the authors give the impression that British government throughout the period was pretty good under the circumstances, but would have been even better if successive administrations had paid more attention to changes in the government machinery. It would be a pity if the Institute for Contemporary British History were to turn into a lobby for Whitehall reform rather than to carry out the tasks that its title suggests.

Malcolm Rutherford

English Master Builder

SIR JOHN VANBRUGH

by Kerry Downes. Sidgwick and Jackson. £20, 560 pages

THE AUTHOR of The Relapse spelt his name in a number of *ways. The now standard* Vanbrugh, but also Vanbruck, Vanbrought, Vanbroge, Vanbrug and yet other ways, which suggests that it was pronounced with a guttural "gh" at the end.

Nothing Dutch remained in John Vanbrugh but his name; he was a typical young Englishman of his day. He worked in a business partnership at 17, but embarked on a lifetime hunt for sinecures by asking his distant kinsman, the Earl of Huntingdon, for an office with the Lord Lieutenant of Ireland. Huntingdon found him nothing, but granted him a commission in his regiment of foot.

He resigned his commission after six months, but saw action again under Lord Carmarthen at Camaret Bay, Brest, and in 1698 was gazetted captain in Lord Berkeley's marine foot regiment, in which he served for some years, mostly on half-pay. His imprisonment by the French was not, as has been reported, as a spy caught *sketching* the defences of Calais; he was confined as a hostage for a French agent, du Clos Chrétien. Chrétien was a double agent, and Vanbrugh was shut up in Calais, Vincennes and the Bastille for four years.

He returned to England in 1693. By then he had a useful sinecure (Auditor for the Southern Division of the Duchy of Lancashire) as well as his half-pay, and he was a member of the Kit-Cat Club, a sort of contemporary White's. What else should he do but write a play? Young men did that; Congreve and Otway wrote their first at 23, Farquhar at 20. Cibber, another former soldier, wrote Love's Last Shift in 1696, when he was 25; Vanbrugh followed with his sequel, The Relapse, which he claimed to have written in six weeks.

The success of The Relapse made Vanbrough a whole-time theatre addict. Aesop and Aesop II followed The Relapse in the same year; The Provok'd Wife in January the next year. Aesop is an adaptation from Boursault's French: it was the fashion to adapt from the French. Vanbrugh adapted The False Friend from Le Sage and The Confederancy from Dancourt, Squire Trelooby, The Mistake and The Cuckold in Conceit from Molière, The Country House from Dancourt. Professor Downes, whose first interest is architecture, is enormously well-informed about Restoration and post-Restoration drama, and his chapters on Vanbrugh's theatre are first-rate.

Vanbrugh's advent in architecture is as remarkable as in drama. He had no training in the discipline (neither had Wren or Inigo Jones). What he had was talent, imagination and Hawksmoor, who made his drawings, designed the detail and negotiated with the workmen. When Talman, who was to build a house for Lord Carlisle, dropped out, Vanbrugh, who knew the right people, stepped in and produced Castle Howard. Next he built himself a quaint house in Whitehall, nicknamed the Goose-pie House (and Professor Downes with his usual generous attention to clarification, illustrates this with a page or two on pies), and the Queen's Theatre in the Haymarket, with its defective acoustics, which he himself was concerned in running. Then Marlborough saw a wooden model of Castle Howard and commissioned the house in Woodstock Park that became Blenheim.

Professor Downes makes good use of Vanbrugh's correspondence in this valuable book.

B. A. Young

Mr Issyvoo

CHRISTOPHER ISHERWOOD: A PERSONAL MEMOIR

by John Lehmann. Weidenfeld and Nicolson. £12.95, 150 pages.

LEHMANN was writing this memoir when he died. It ends rather scrappily with a series of Diary entries relating to meetings with Isherwood in the 1970s. Christopher was visiting London fairly often by then to see friends here and his British publisher; the need for lengthy letters to his old buddy putting him in the Californian picture with news of boyfriends, vedantas, and movie assignments, had lessened.

Earlier, though, there were many such missives which Lehmann kept. He also shrewdly kept copies of his letters to Christopher. The result is just about enough material to make a short, loyal, revealing book.

The outline is familiar, from those first encounters when they were both young men of dazzling promise, Lehmann playing ducks and drakes with the Woolfs as their manager, now in now out, landing Isherwood's Berlin copy for New Writing and the Hogarth Press.

Christopher's affair with Heinz is seen here from a saner, cooler point of vantage than in Christopher and his Kind.

We learn of the villainy of the real-life *Mr Norris* who, promising to secure Heinz a Mexican passport, pocketed a sizable sum of Christopher's money for the purpose and then failed to deliver.

After this comes departure to America with W. H. Auden, and the decision to stay there in spite of—because of?—world war two. The complex of motives on Christopher's part: sexual pursuit, pacifism, enchantment with California, movies that were never made, Viertel, Heard, the Swami; they all fall into place.

Christopher complains that he is not making really very much out of the success of the movie Cabaret, so many people are taking large slices out of the pie. John and Christopher both still use the archaic word queer meaning homosexual. In this and in other respects they seem like figures out of some distant past of English life.

Anthony Curtis

Leona Mitchell as Suor Angelica in Puccini's "Il Trittico" at the Opera Comique

Enter the Opera Bastille

A period of upeaval has begun on the Paris operatic scene. Andrew Clark reports

THERE ARE two ways of painting the current operatic scene in Paris. The first looks like this: Paris has never had it so good. For the first year in living memory, four established theatres are each offering an international season of opera. Paris is at last beginning to recognise the value of the French baroque operatic heritage. The success of recent profit-making promotions at the Palais Omnisports Bercy—packing more people into an indoor Verona-style stadium in three weeks than visit the Opéra in a whole season—proves there is a vast untapped audience for opera. The prospect of the opening of the new Opéra Bastille in July 1989 heralds the day when Paris will be restored to its rightful place as the international capital of opera.

Now for the alternative picture: Paris is quickly losing the last shreds of credibility it once had as an important centre of opera. The French have mistaken quantity for quality. Standards at the Palais Garnier have reached rock bottom, with an orchestra famed for its recalcitrance, stage staff renowned for their sabotage tactics, and a programme for the first half of the season that boasts only one new production—a lustily-sung but otherwise unremarkable staging of Puccini's *Trittico* at the Opéra Comique. The Opéra Bastille project has been subject to so much delay and political manoeuvring that a rushed and ill-prepared opening is inevitable, and the final product will be but a pale imitation of the original plan.

Neither picture is entirely misleading. What is clear is that the opening of the Opéra Bastille on July 14 1989 could have the same revolutionary effect on the Parisian cultural landscape as the storming of the Bastille had on poiltical life 200 years ago. In the meantime, for the sheer number of seats available and people willing to fill them, Paris represents a bigger market-place for opera this season than any other city in the world. Of all nations to enjoy the current boom in opera, the French appear to be the most avid consumers.

Even if it means taking on some extra baggage from its Socialist predecessors, the Chirac government recognises that an expanding cultural life is part of the fabric of national pride: how else to explain the 5.6 per cent increase in next year's subsidy to the performing arts, well above the rate of inflation?

There is, however, a large element of chance in this sudden operatic diversity. Some projects are simply coming to public awareness now after years of preparation—such as the government-funded Centre of Baroque Music at Versailles, which opened its doors earlier this month for a weekend of Lully events. This baroque revival, for which the production of *Atys* at the Opéra-Comique earlier in the year was the best advertisement, is one of the most original and promising developments.

Another noteworthy event is the re-opening of the privately-owned Théâtre des Champs-Elysées, after more than a year of work to restore its original *art-deco splendour. In addition* to its previous package of concerts, recitals and the occasional guest production, the theatre is offering an opera season (including two staged *Ring* cycles next Spring) without a centime of state subsidy. It opened a week ago with *Die Zauberflöte*, the latest in a series of annual Mozart productions combining the talents of Jean-Pierre Ponnelle, Daniel Barenboim and the Orchestra de Paris, the city's main concert orchestra.

The production is typical of the current Parisian operatic diet: plenty of big names working on ideas that have already been tried out elsewhere. Paris deserves better. The combination of teething problems in the new computerised stage mechanism, Ponnelle's idea of placing the orchestra on stage as a main protagonist, and Barenboim's slow, unfeeling tempi gave the opening performance an atmosphere of supreme artifice.

Apart from the Opéra, the other main promoter of lyric theatre is the Théâtre Musical de Paris-Châtelet, where the staging of imported productions is established policy. On similar lines to its successful Italian season two years ago, the theatre is concentrating on German opera in coming months, with good casts and conductors.

It is at the Opéra that the lack of original ideas is most alarming. Last season, only *Atys* shored up its fading prestige. After some all-too-familiar packaging of *Norma* and *Macbeth* in the pre-Christmas period, the current season holds some promise, with a Janacek series plus a new *Thais* at the Opéra Comique. But the Opéra's programmes have a habit of looking better on paper than the finished product. Strikes, cancellations, mismanaged schedules, lack of central authority—all play a part.

The situation has not been helped by the rapid turnover of directors, who either lost interest or walked out before finishing their contracts. Since the Liebermann era in the 1970s, there has been no continuity, no sense of long-term planning, no one able to impose his personality on the Opéra's vast organisation or surmount the jungle of orchestral and industrial problems. The state has continued to pay up — an astonishing 300 million franc annual subsidy (£31m) — but has been getting an increasingly poor return on its investment.

Enter the Opéra Bastille: can it offer a fresh start and develop into a lively cultural organism similar to the Centre Pompidou? The project was inaugurated six years ago as one of the Socialist government's proposed new landmarks to celebrate the 200th anniversary of the French Revolution. It was put on hold by the Chirac government after last year's elections, but building work was so far advanced that the project could not be cancelled. Since construction resumed a year ago, there has been a lively debate over whether the original plan should be scaled down.

The main components devised by the Canadian architect Carlos Ott were a 2,700-seat main auditorium, an experimental stage or salle modulable, and a large area devoted to stage workshops or ateliers. The debate has centred on a government plan to scrap the experimental stage, gain some extra income by renting out the *atelier* space and farm out the *making of costumes* and scenery to private contractors. In the intervening period, however, the government seems to have slowly come round to acknowledging that the Bastille project offers a unique opportunity to shake up the creaking organisation of the Opéra, and is therefore worthy of wholehearted investment.

A final decision on the experimental stage and ateliers is expected soon. The pointers are that both will be completed with modifications, after the teething problems of the building have been solved. The next stage in January is the opening of negotiations with the unions on future manning levels. *Instead of the 2,000 staff currently* running the Palais Garnier and Opéra-Comique, the Bastille is to operate with a payroll of 900 and a subsidy only marginally higher than at present. The ballet, still under Rudolf Nureyev, will continue at the Palais Garnier, which will be used for gala opera and concert performances, for visiting ensembles, and for some of the programme promoted by the Bastille: the opera-Comique will close at the end of this season, pending a new role, possibly as a finishing stage for young opera singers in the 1990s.

In the 20 months before the opening, the Bastille's management *faces a daunting task.* Although the opening season has already been designated a "trial run" to be shared with the Palais Garnier, Barenboim must quickly find production teams and singers worthy of the occasion. Vozlinsky, a man of charm and determination who organised a radical re-structuring of Radio France's musical output in the 1970s, may as a last resort have to "do a Wapping" on the unions if negotiations turn nasty. There is already talk of using the Orchestra de Paris as the house orchestra, partly because of the lamentable state of the Opëra orchestra, and also because the Bastille is to have its own concert programme.

There are plenty of unanswered questions. Will the official policy of improvisation, in planning the new project and its relation to existing theatres, work to the advantage of Parisian musical life in the long-*term. What will happen to the* repertoire conceived for the morale at the Opëra, where much of which has already been hijacked by the Palais Garnier? Can anything be done to prevent the current deterioration of morale at the Opera, where many staff, including the current director, Jean-Louis Martinoty, are not to be re-employed?

For better or for worse, a period of upheaval has begun. The government hopes that the new building will allow twice the number of spectators to experience the same quality of performance at half the current box-office price—all for the same annual state investment. That is the theory of "popular opera." Now let's see how it works in practice.

Four Wesker vignettes

THE LAST of Arnold Wesker's slender vignettes *Four Portraits* at the Man in the Moon pub theatre in Chelsea's World's End is the most interesting, not least because neither audience nor actress seems sure how ironically it is intended. This is Deborah, "woman as mother earth" as the programme has it, in flowing arty smock, chatting with deadly brightness to an invisible companion as she wheels her trolley through the supermarket: life-giving bounty, outpouring generosity personified. "I've got three of them," she says with pride. She refers to children but it might be to synonyms for every occasion. "I loved carrying them, giving birth to them, suckling them," she rhapsodises, and the sight of three packets of meat for the price of two arouses in her the excitement the author obviously feels for bargain packs of words.

For Deborah the giving of shelter and nourishment is a profession, consisting not only of cooking, washing and ironing, but budgeting, stocking up and planning ahead. She sees home as a haven, a womb, an anchor, where even pot plants are watered, pruned, talked to. Needed, wanted and depended on, she glories in it, bathes in it, thrives on it. "Me the prisoner? Never!" she triumphantly avers, a dubious tribute to modern feminism but a walking advertisement for Roget's Thesaurus.

We also meet the black-suited Miriam, failed mother, tearfully confiding to her unseen psychiatrist. She regrets her own daughters' faulty upbringing; blames herself, then her parents and a hate of noise, violence and shouting (has the figure three some mystic significance for Mr Wesker?). This cameo suffers most from the brevity of the writer's chosen form (each portrait lasts about 12 minutes).

The opening vignettes are pleasant, unoriginal and predictable. Although the compilation's full title is *Four Portraits . . . of Mothers*, Naomi is the mother who never was, her early life spent looking after an invalid parent then a sick sister. In hairnet and pinny she sits before the television ("I just switch on and think of other things") talking to herself, "no one in the middle of nowhere," or to her nephew on the phone. Even at 16 minutes the sketch is too wispy to arouse much more than generalised sympathy; and the pay-off line, "I wish he would have my son," is too abvious to avoid anti-climax.

The evening opens with loving mother Ruth cajoling, teasing, reproving (it must be catching) her offstage daughter as she packs for their joint skiing holiday. A deliberately unmarried mother, she happily lets herself be exploited with a rueful wisecracking contentment.

Anne Chauveau successfully distinguishes between all four women with minimal changes to hair and clothing—as successfully, indeed, as the starrier actress in Wesker's West End female compendium *Annie Wobbler* who enjoyed greater resources of costume and make-up—with a nice touch of shrugging Jewish wryness for the old spinster. She even moves the furniture on Paul Minter's set while transmogrifying, changing, transforming. Valerie Colgan directs, produces, stages.

Martin Hoyle

Dance Umbrella

STEPHEN PETRONIO, who made an impressive London debut in last year's Dance Umbrella season, has returned under the same auspices for a series of performances at the Riverside Studios, Hammersmith. His programme brings one novelty, *Simulacrum Reels*, together with two pieces seen on his previous visit: *Number Three* and *Walk In*.

The effect of Petronio's style remains as abrasive and uncompromising as it did at our first exposure to it: the dance is *wrenched from bodies as limbs* flail and the members of his company battle with interior forces that threaten to tear them apart. It is a manner by turns autistic and athletic, slammed at us with high-voltage bravura that reflects the raging and insistent pound of the accompaniment.

The scores for *Simulacrum Reels* and *Walk In* by David Linton blare fortissimo, and could well be qualified as "Music to have a Migraine by." (*Number Three* has a minimalist score for horns that is soporific by comparison.) Petronio's taste is for combative, aggressive effects; the seven members of the company are driven to what seem the further limits of physical endeavour. This unrelenting quality beats at the senses, as does the Linton music, and argues a world of nervous dynamism that is urban, tense and dislocated.

There are moments when Petronio's fragmentation of movement has a brusque and uncompromising power; we accept the imagery as expressive of a dangerous and inimical society. But the combination of these disjunt, distraught particles of action, the dancers whirling past in some race against unimaginable terrors, lacks variety, and ultimately defeats its own muscular vehemence. There is no resolution of the tensions, no surcease from the exhausting rush of physical disquiet. The jagged shapes of the choreography, the harsh flare of energy, becomes at the last monotonous.

More intriguing, despite the *evident* skill of the dancers, is Petronio's own solo, *Number Three*. Rooted to the spot, he gestures, exorcising phrases of activity from his arms and torso, conveying by the very limitations of the dance form a search for release from the dynamics that rack his frame. It is odd, disturbing, memorable.

Clement Crisp

Radio

Cruising with Sundowner

THE SEEDS OF HATRED on Radio 3 last Saturday began a series of short documentaries about the Boer War. This one dealt with the first mustering of troops on each side, contrasting young, eager Britons, at railway stations or on troopships, with equally keen South Africans taking up their battle stations while the horrible business people of Johannesburg sought refuge in Cape Town. It is too soon to venture an overall opinion on the series, or why it is given such an emotive name. The first programme was colourful and politically neutral enough. But it seems to me a masterpiece of misprogramming to run this series only an hour before the repeat of Michael Charlton's fine survey of the Falkland Islands conflict, with nothing between them but half a symphony concert.

The Little Ship (Radio 4, *Wednesday) was a biography of* a 60-foot 30-ton yacht, the MY Sundowner. Its first owner, Commander Lightoller (who had been Second Officer on the Titanic), had her converted from an Admiralty steam pinnace, for which he paid £40. He used her to cruise about the North Sea coasts, and when war threatened in 1939 the Government got him to look at some possible German invasion points. They were never used, but Sundowner did sterling work at Dunkirk, bringing home no fewer than 130 troops.

On Lightoller's death, the next owner took her to Alicante, where he spent four years, 18 months of which were passed in gaol on suspicion of *murder and bank robbery.* Sundowner came home to England in 1984 and spent another 10 years on the North Sea before being sold for £25,000 to her final owner. He spent masses of money on her, and she was almost at once caught in weather that completely swamped her. She had to be taken home, where she was bought for £800 by the East Kent Maritime Trust for their museum.

Patrick Stenson wrote the script and his sister Diana Stenson did the production, so *I suppose it* was she who gave us the full set of sound effects, from the BBC seagulls, the screaming of the Titanic passengers, the war at Dunkirk, *the chugging of the engine* and the howling of the wind, to be the congratulatory speeches at the museum.

The Monday Play on Radio 4 was Diana Bishop's *Errors of the Past*, which compared and contrasted the lives of two cousins, Claudia (Janet Maw), a successful singer of protest songs who made a lot of money when she was young and retired early into a cosy maturity, and Barbara, married to Thomas, a real practising dissident in Eastern Europe, who has to come home a penniless refugee. This is what I call a landscape play, not dependent so much on plot as on overall situation. Nothing very serious happens to Claudia, who is always *in the foreground;* it is to Barbara (Valerie Sarruf) that events occur, but what exactly they are we are never told, nor about Thomas either.

There is a good deal of pleasant but expendable detail — more expendable than any the occasional intrusions of a schoolmistressly voice not apparently connected with anyone in the play, designed, I take it, either to tell us what to think or to tell Claudia and Barbara. Richard Wortley, the director, was never seduced into giving us much in the way of protest songs, though he had the supporting group available in the cast.

Last Saturday's documentary on Radio 4 must have been about the least sympathetic thing I ever heard on this channel, *A Germ is Born*, written and played by Joe Griffiths. This was a musical about the social problems of a germ born in a lab, with songs like "You're never alone when you're a house-mite." Perhaps keener listeners found it instructive.

Collectors of jazz classic recordings re-processed and stereophised by Robert Parker will be glad of BBC Records REB643, Duke Ellington, and REB644, Joe Venuti and Eddie Lang. Collectors of another kind will go for The Classic Years—REB648, Bing Crosby (1927 to 1934), REB649, Al Bowley (anyone remember him?), REB650, assorted American big bands like Roger Wolfe Kahn, Jean Goldkette, Paul Whiteman, Guy Lombardo and so on, and REB651, Love Songs (1929-1935). Also on cassette and CD.

B. A. Young

Suk & the ECO

FEW PERFORMERS today can claim such distinguished musical ancestry as the Czech violinist Josef Suk—who is both the grandson of the Czech composer (1874-1935) of the same name, and the great-grandson of Antonin Dvorak. Suk was the conductor/soloist of Thursday's English Chamber Orchestra concert; and not surprisingly he chose to frame the pair of violin concertos he performed with works by Josef Suk the Elder and Dvorak.

Suk and the ECO ended their evening with Dvorak's E major Serenade for strings: good-humoured, buoyant early Dvorak, done with style and vigour (if somewhat less of rhythmic fizz); and began it with Josef Suk's *Meditation on an old Bohemian Chorale* op. 35a—a short, intense, well-ment and fairly predictable piece of late-romantic note-spinning for strings dating from 1914.

It was not an exciting concert. Of the two concertos Suk played and directed from the rostrum, that in G major by the Bohemian composer Johann Baptist Vanhal (1739-1813) is a charming and perfectly decent pre-classical piece of no particular distinction. He delivered it cleanly and clearly, but without notable enthusiasm; most consistently engaging by a long way was the marvellous luminous tone he drew from his instrument—a violin, the Elman Stradivari, as illustrious of lineage as its present owner.

The other concerto Suk played was the earlier and lesser of Mozart's two concertos in D (K211). He did not coax much bounce from his accompanying players but his own performance had a robust and attractive sparkle, and the finale especially was seized with splendidly incisive rhythmic (and tonal) attack.

Dominic Gill

Records

Schmidt redivivus

Franz Schmidt: Symphonies nos 1, 2, 3 and 4. Radio Bratislava Symphony/Rajter: Opus 9350 1851 to 1854 (4 compact discs). *Das Buch mit sieben Siegeln:* Austrian Radio Symphony / Zagrosek, with Schreier, Holl, four solo voices, Vienna State Opera Chorus and Haselböck (organ): Orfeo C 143862 H (2 compact discs; also on LPs).

WITH THESE modern recordings Franz Schmidt should at last come into his own, as a major symphonic composer—not just a footnote—on the route which passes from Bruckner to Schoenberg via Mahler. Which isn't to imply that he was an onward-pressing modernist: on the contrary, throughout his career he was always a "conservative" composer by comparison with his more famous and radical coevals. Outside Austria, when he is mentioned at all it is usually a long way after Reger and even Pfitzner. That, I think, is about to change. Though Radio 3 (with loyal prompting from Hans Keller and Leo Black) must have made Schmidt converts over the years, gleaming compact discs have a magic of their own; and this sudden flood of his grandest works will be a widespread revelation.

The first thing to be said about Schmidt's music is that it is cogently affecting: it carries an expressive power, and carries it over long spans, beyond any but the best music of his Expressionist contemporaries. *Its burden is personal* and palpably original, despite its traditional-conscious idiom. Though it is obviously "well-made"—he was a master, in the most academically admired ways—what's most moving in Schmidt's pieces owes no more to educated routine than it does to consciously up-to-date experimenting.

In fact he admired Schoenberg (and even organised a performance of *Pierrot lunaire* with his own students): it was, simply, natural to him to compose in more old-fashioned diction. It developed remarkably, but never advanced as fast or as far as that of the Schoenberg circle, nor in such vividly theatrical ways. Hence the exciting impact of the new recorded cycle of his symphonies (which cover his whole career): a powerful but gently reticent personality makes itself felt, little by little, each work gaining through being discovered in the light of the others.

Schmidt died at the brink of World War Two, in his 65th year. He had been a professional organist, pianist and cellist (Mahler insisted on having him as first cello whenever he conducted the Vienna State Opera; Schmidt equally admired Mahler's conducting, but thought his symphonies "cheap novels"), and later an enormously respected teacher. His mature music seemed to come too late for its time, and far too late to capture the post-war imagination. Besides, old Schmidt had been innocently attracted by the ideals the Nazis professed, which made him an embarrassing candidate *for postwar* revival.

Though Decca released Zubin Mehta's brilliantly recorded performance of the dramatic and haunting Fourth Symphony some years ago, the only follow-up was a tamer Supraphon version of the Third by Libor Pesek. Now Opus has done Schmidt proud, with the complete cycle played by the excellent Radio Symphony of his home town (but it was Pozsony in Hungary where he was born, not Czech Bratislava—he was in fact three-quarters Hungarian) and conducted by his pupil L'udovit Rajter, 80 years old when the recordings were made last year.

Granted that the scherzos of the last two symphonies are taken at an old man's comfortable tempi—though they retain their sturdy character—all the music sounds wonderfully idiomatic, limned purposefully and warmly with the unshowy ease that belongs to Schmidt's un-melodramatic style. The CDs are so far available only as a package, which means having to acquire the lighter-weight First (completed when he was 25) along with the later, greater works but it illuminates, and in turn is illuminated by, the teeming inventions of the Second (*with similar inspiration* from Baroque music and from *Die Meistersinger)* and the radiantly lyrical Third. In due course we shall doubtless get more insistently analytical, sharper-cut performances; Rajter's do honour to another kind of standard.

Where the Third Symphony—the Austrian prizewinner in a 1928 competition for a symphony in the spirit of Schubert—is limpid, serene and lovable, the Fourth strikes a note of muted but memorable tragedy, with its keening solo trumpet at beginning and end (like Schmidt's own trumpet-practising in the Vienna Woods) and its central elegy with cello (his beloved daughter had recently died in childbirth). You do not need programme-notes to recognise the compelling musical unity of the work—though Harold Truscott's devoted study of the symphonies (Toccata Press, with Schmidt's own autobiographical sketch and a Keller memoir) is full of articulate insights.

The Fourth was completed in 1933, *but there were large* works yet to come: the Piano Concerto (still unpublished in its original form) for Ludwig Wittgenstein's one-armed brother, the last Quintet—and the apocalyptic *Book with Seven Seals* after the Revelations of St. John. That colossal oratorio has kept a revered *place in Austrian music while* remaining almost unknown outside the country. Zagrosek's new recording at last makes it available to an international audience.

Das Buch is a work of literal piety, with a tenderly objective narrator-Evangelist like Bach's (here, the committed Peter Schreier) and extraordinary all-but-atonal inventions on a formidable scale to represent St John's visions, rivalling *Berlioz in sonority* and (given the Schmidt norm of fautless musical reasoning) just as able to portray dismaying abysses. There is nothing remotely operatic about the oratoric, except perhaps its violent switches in distance between cool narration (sometimes recitative, sometimes with full symphonic panoply), dramatic vignettes for solo voices and huge choral outcries.

Dark organ meditations separate the three main parts of the work, like private reflections by the composer himself. They are more easily fathomed than the strange character of the whole, which seems at once tremendous and starkly detached: there is perhaps a special stamp of Austrian piety which takes special fathoming. This performance leads one a long way into it.

David Murray

Chess No. 694

1 Q-Q8. If 1 . . . R-R8; 2 QxP, P-R7; 3 Q-KR1. If 1 . . . K-R8; 2 Q-KR8, P-Q; 3 N-B2. If 1 . . . K-B8; 2 Q-N5 ch, K-N8; 3 Q-KN1.

WEEKEND FT

SPORT

Jason Steger looks at a snooker entrepreneur turned fight promoter

Hearn keeps a weather eye open

LIKE MOST people in Britain, snooker entrepreneur Barry Hearn has been obsessed with the weather for the past couple of weeks.

He has not been worried by falling chimney stacks, flooded sitting rooms or uprooted trees, rather Hearn's eyes have been fixed firmly on the weather forecast specifically for the area in north London round Tottenham Hotspur's White Hart Lane ground. There he is the promoter of tonight's long-awaited fight between Frank Bruno and the newly Australianised former British and European champion Joe Bugner.

"The question of the weather petrifies me," admits Hearn. "I look up and say 'I dare you to rain on the 24th, I dare you to do something to me'."

Bruno's last fight was outdoors in Marbella, Spain. It was postponed for 24 hours because of torrential rain.

It is not surprising that Hearn is worried. With more than 30,000 people expected tonight—he assumes some will be put off by the weather — gate receipts alone should top £2m. Hearn is genuinely chuffed to be staging what has become the biggest sporting spectacle in the country.

Contrary to the impression of last-minute negotiations given by the extreme hype in the tabloid papers, in which the battle between the two boxers has been almost overshadowed by the squabbles involving Bugner, his wife Marlene, and his former wife, Hearn had long been negotiating for the fight.

"The work had effectively been done but there was one thing holding everything up: Bruno was booked to fight Trevor Berbick. I'd been in touch with Bugner for months. Then Berbick pulled out and I was ready to go.

"The problem was never Bugner, it was always Lawless and Wembley and his other commitments. Obviously there have been people upset—Wembley, after all they didn't get the fight—but we live in a competitive world."

Competition is something that Hearn is certainly not afraid of. He wasn't born with a silver spoon in his mouth but through sheer hard work and a considerable amount of good fortune he's earned enough to buy more silver spoons than he could ever hope to use.

He was born in Dagenham in 1948 but will forever be associated with Romford through the success of his Matchroom company and his stable of seven top snooker players, including world champion Steve Davis.

He became an accountant — "all ambitious kids on a council estate wanted a profession and my mother told me that she'd never seen a poor one" — and joined Thomson McLintock, now Peat Marwick, and also his auditors. He left in 1973 to be finance director of a textile design company.

"My job was to diversify them and one of the things I bought — the only one I remember, the only one that was successful — was a chain of snooker clubs. They had good cash flow and there were great underlying assets as it was an old-established company with a lot of freehold town-centre sites. I couldn't see any downside."

He signed the deal for the Lucania chain in Bertorelli's restaurant but made his best signing in 1978 in a Blackpool bus shelter when he snapped up Steve Davis.

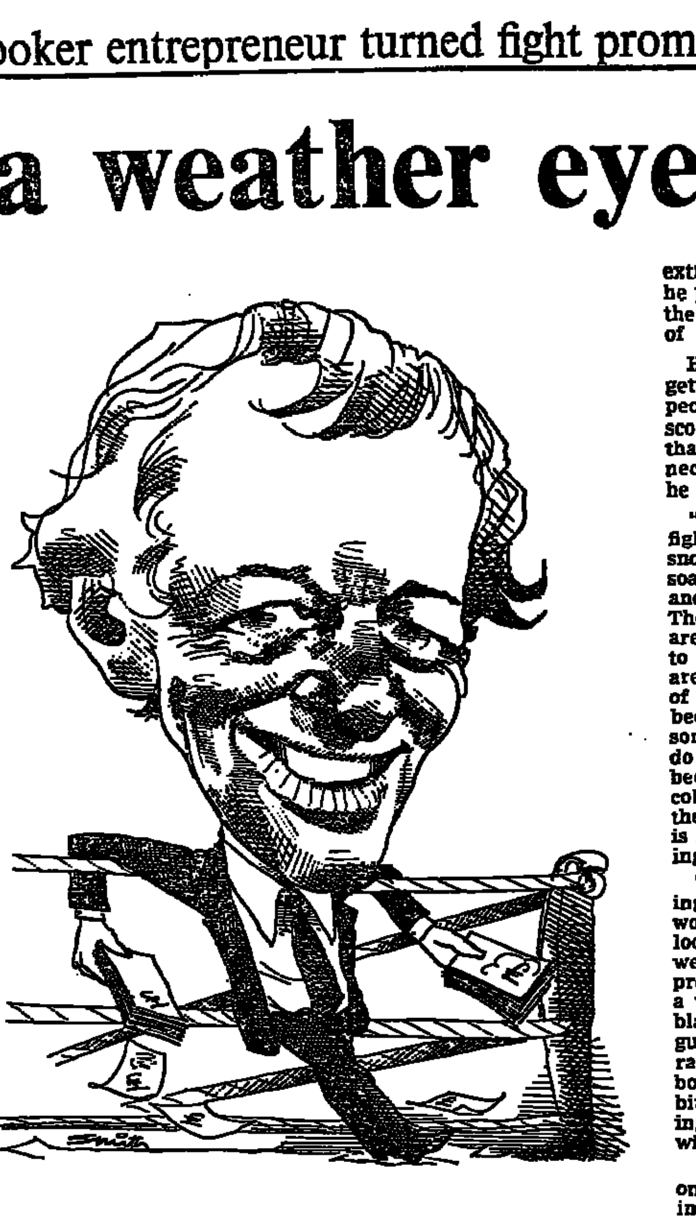
The rise of snooker has been inextricably linked with the rise of Hearn and his Matchroom team. Apart from remarkable success on the table, Hearn's extraordinary business and marketing talents have ensured that all his players are very wealthy men.

Hearn resigned from snooker's governing body a few weeks ago to be able to concentrate on his own tournaments. His World Series will take the top 11 players in the world to eight cities in five continents.

Hearn is not the sort of man who likes to sit behind a desk—although he has a huge one in his Romford office—and not be involved in what is going on outside.

At one stage he planned to float Matchroom on the USM.

"I don't think plc is really for me; it's not my style. In terms of worth in a business, I like to see tangible things. I don't like the Stock Exchange particularly. I don't like the idea of what I do in a sporting sense—the hype—in a monetary sense.



Barry Hearn may be on the ropes here but he is hoping the weather doesn't spoil his chance of being a winner tonight.

"When floating Matchroom wasn't possible because of tax concerns for the players, I didn't want to do it just to make money for myself because I would have been surrendering my independence. I'm not sure I want the responsibility of shareholders' funds, a track record or, God forbid, criticism at AGMs. I don't suffer criticism too well."

The rise of snooker is also inextricably associated with its coverage by TV. But for his second boxing evening Hearn was determined there should not be live TV.

"You don't have a great deal of choice with snooker. You get only 1,000 people there paying a tenner a ticket so when a TV company comes in and says 'fifty grand' — what are you going to do? With boxing, it's the other way round. We're getting £2.5m gate money and they can't afford that kind of money."

However, Hearn has since come in for considerable criticism for allowing TV airing of the fight a matter of minutes after its scheduled finish. But it is not just a question of making money that drives Hearn on this occasion.

Apart from the motivation of staging the spectacle, "the sheer extravaganza of the gamble," as he puts it, he wants to refurbish the somewhat tarnished image of the noble sport.

Hearn is well aware that in getting the fight that so many people want to see he has scooped the big one, and more than anyone he sees the connections between the two sports he has become involved in.

"It is like theatre, it is not a fight. In the same way that snooker's not a sport, it is a soap opera. It is personalities and characters that sell tickets. There is no way 40,000 people are going to sit out in the cold to watch a boxing match. They are there for a whole variety of reasons: some will be there because of the Cooper fight; some will be there because they do not like Australians; others because they do not like coloured guys; some because they do not like white guys. It is nothing to do with basic boxing; it is pure theatre.

"Can you say you are watching the two best fighters in the world? No. Can you say you are looking at the two best heavyweights this country has ever produced? Probably not. What a well-matched fight, though. A black guy, a white guy. A good guy, a bad guy. The fellow that ran off, a bloke that's been boring, a bloke whose chin's a bit suspect. There are so many ingredients. The atmosphere will be fantastic."

Hearn has certainly landed on his feet and he will be laughing all the way to the bank — despite paying Bugner a guaranteed £250,000 and Bruno 35 per cent of the profit. He has even captured the do-or-die nature of the fight by giving it a title: "The last word is . . . goodbye." While the winner could get a fight against the awesomely brutal world champion, Mike Tyson, the loser faces a more peaceful, but richer, future outside the ring.

Hearn, though, will only relax when the bell for round one goes. "I may have a large drink," he says with the air of a man looking forward to a chance to relax . . . albeit for only a short while. He hopes to have at least one player in tomorrow's Rothman's Grand Prix snooker final and on Friday flies to New York to run in the marathon.

Soccer

What's up with Charlie?

FOUR YEARS is a long time in football. More than long enough for a promising career to end up in a cul-de-sac.

When Charlie Nicholas arrived in London from Glasgow Celtic in 1983, he had the world almost literally at his feet. Just 21, he'd signed a fat four-year contract with one of the game's biggest names, Arsenal.

Today, the streets round Highbury stadium may still be paved with gold, but Nicholas, dropped after just three games of the season, cannot get a game. Second division Blackburn wanted him, but on loan. French side Toulon wanted him, but talks collapsed after the player agreed terms.

Nicholas was a proven goalscorer with Celtic, scoring 50 in his last season there. He hit the net spectacularly in his international debut, and scored twice in his first four internationals, prolific by recent Scottish standards. The talk at the time of his £650,000 move was that he was the best export since Kenny Dalglish joined Liverpool. But there was also some prophetic reminiscing about another gifted, expensive young Scot who went to Arsenal in a blaze of hye, and flopped: Peter Marinello.

Many fans feel Nicholas should not have joined Arsenal, but Liverpool. The fleeting glimpses of a Nicholas-Dalglish combination in Scotland's colours were exciting. These two together would have torn the heart out of any defence. What a pity Dalglish did not find a worthy partner until the twilight of his international career. What a pity Nicholas opted not to attend Liverpool university to further his soccer education. At the sterile polytechnic that is the modern Arsenal, Nicholas has scored just 34 goals in 151 league appearances.

Kevin McKenna, editor of Celtic View, has clear views on the 1987 model of a former idol. "The hallmarks of his game have disappeared in his four years with Arsenal," he says. He has lost a yard or two of pace, and is carrying more weight. I think it was a mixture of bright lights of London, and being coached by Don Howe."

The Arsenal fans, fed on a diet of tedium since the departure of Liam Brady for Italy, recognised his skill and charisma and took Nicholas to their hearts. Management never took to Charlie in the same way. Terry Neill, later sacked, bought Nicholas but never seemed comfortable with his skills, Neill's immediate successor, Don Howe, seemed even less comfortable, and we witnessed the ludicrous sight of one of the country's few genuinely talented goalscorers struggling to up his work rate and forage for crumbs in midfields when he should have been banqueting in the penalty area.

Nicholas: What are his options?

Nicholas briefly flickered into life when Howe left, and fellow Scot George Graham took up the reins. For a while it seemed Graham understood the player's need for both constant reassurance and repeated sharp kicks to his amply paid posterior. When transfer talk started towards the end of last season, Nicholas pounced to snatch the two goals that won Arsenal the Littlewoods Cup.

The feeling in the football world then was that Graham was forced to give Nicholas a new contract as a reward for his cup-winning performance. Only now is it dawning that this might have been a tactic to boost the transfer market value of a player who would otherwise have been out of contract. If this is the case, it could backfire badly. After recent events, it looks highly unlikely that Arsenal will get their money back. The player becomes a free agent again at the end of this season.

Asked what has gone wrong with Nicholas, Graham absolves himself from any blame. "I don't know what went wrong," he told me. "I've only had him a year, and I've not seen the best of him. I've no complaints at all with his attitude. Hopefully he'll fight his way back into the team."

So whither Charlie Nicholas, now *his options have virtually* disappeared? Under Graham, Arsenal are gelling into an efficient, though low-scoring match-winning unit. The cheap and cheerful Perry Groves is preferred up front, paired with Alan Smith, a near-million pound signing last season from Leicester.

Liverpool must surely take a breather after their £4.3m spending spree which netted them three forwards, and yet another midfielder. It is difficult to see how Nicholas could be shoehorned into an already intimidatingly large, expensive, squad.

Celtic manager Billy McNeill wanted him in the summer, and Nicholas nearly went. But he has slapped the club in the face twice, and it is unlikely he will be offered that crown a third time. Celtic just spent heavily on buying striker Frank McAvennie from West Ham, even though Nicholas was available.

Nicholas could yet be an excellent player, given the right coaching and discipline. Scotland's caretaker manager Alex Ferguson proved this just over a year ago in the Mexico World Cup. He worked a near miracle, and Nicholas looked the only genuinely world-class Scot in the squad, before being hacked out of the competition after an hour or so.

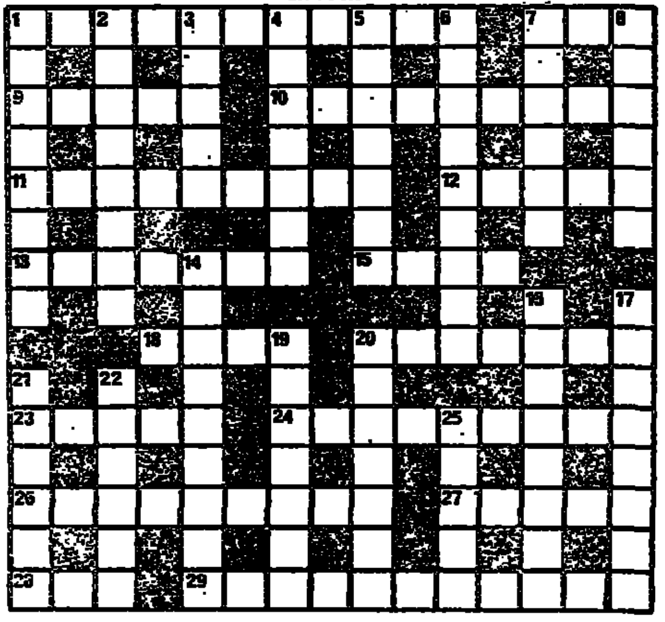
After the collapse of talks with Toulon, Nicholas was too distressed to contribute to this mid-career appraisal. Those close to the player expressed concern at the way he has been treated, claiming George Graham does not want Nicholas at Arsenal, and that he was made a scapegoat after just three games of the season. What particularly rankles is that he had the option to go to Celtic, but Graham convinced him to stay another year.

Whatever he eventually decides, Charlie Nicholas must now realise that while to sign for Arsenal once was unfortunate, signing twice was careless.

Brian Bollen

FT CROSSWORD PUZZLE No. 6,464

GRIFFIN



Prizes of £10 each for the first five correct solutions opened. Solutions, to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

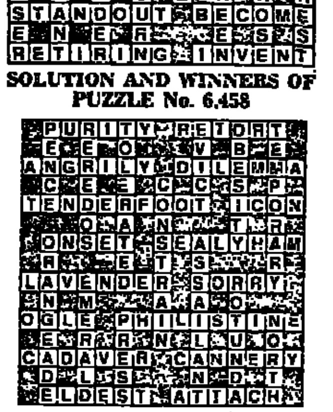
ACROSS

1 One linked with cigarettes? (5, 6)
7 Forbid 28 leaving, notwithstanding (3)
9 Start talking language free of superfluous words (5)
10 Enter drunk, ordered into custody (9)
11 Help rinse out and fill up again (9)
12 Express failing outside Oldham initially (5)
13 Twice ring us, being insensitive (7)
15 Returns the automatic catches (4)
18 Quit side (4)
20 Was once raised to cover cold passenger compartment (7)
23 Tea at home in Ware (5)
24 Diversion meant me travelling round America (9)
26 Rap minder for exploding rocket (9)
27 Caught a 'bus outside when returning diving equipment (5)
28 Having 7 across missing, forbid attempt (3)
29 Photograph strange gentlemen embracing backward artist (11)

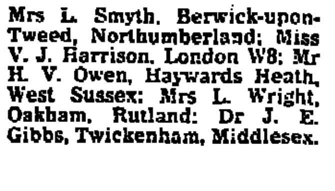
DOWN

1 Fall which blurs the vision (8)
2 Suddenly get rough but play around back door (8)
3 Ring off once outside, that is relative (5)
4 Becomes a union member (7)
5 Man outside long room (7)
6 Considered accepting modified oven when repaired (9)
7 Extremely cold fellow, very strict (6)
8 Raising money used to curdle milk! (6)
14 In effect, about four surgeons do it (9)
16 He'd scattered clues around the table (8)
17 Plot to take unruly parrot to court! (8)
19 Around mid-April a vital assembly for Labour (7)
20 Mum and the milk supplier shiver (7)
21 Not a Saab motor in a Beetle? (6)
22 Clear one member caught in a cap (6)
25 Result of having seen rotten union leader entering (5)

Solution to puzzle No. 6,463



SOLUTION AND WINNERS OF PUZZLE No. 6,458



Mrs L. Smyth, Berwick-upon-Tweed, Northumberland; Miss V. J. Harrison, London W8; Mr H. V. Owen, Haywards Heath, West Sussex; Mrs L. Wright, Oakham, Rutland; Dr J. E. Gibbs, Twickenham, Middlesex.

TELEVISION AND RADIO

SATURDAY

† Indicates programme in black and white

BBC1

8.20 am Roobarb. 8.25 Saturday Starts Here. 8.40 Chucklevision. 9.00 The Muppet Babies. 9.30 Going Live! 12.12 pm Weather. 12.15 Grandstand including 12.15 Squash. (ICI Perspex World Championships); 1.00 News Summary; 1.05 Football; 1.30 Racing from Newbury; 1.40 Snooker (Rothmans Grand Prix); 2.00 Racing from Newbury; 2.10 Gymnastics (World Championships from Rotterdam); 2.30 Racing from Newbury; 2.40 Gymnastics from Rotterdam; 3.00 Racing from Newbury; 3.10 Squash; 3.50 Half Times; 3.55 Snooker; 4.30 Rugby League (Great Britain v Papua New Guinea, Whitbread Trophy Test); 4.50 Final Score. 5.05 News.

5.15 Regional programmes. 5.20 Rolf Harris Cartoon Time. 5.45 Telly Addicts. 6.15 My Family and Other Animals. 6.45 Bob's Full House. 7.25 The Russ Abbot Show. 7.55 Casualty. 8.45 News *and* Sport. 9.00 Monty Python's Flying Circus. 9.30 World Gymnastics Championships from Rotterdam. 10.00 Snooker (highlights from the semi-*finals of the Rothmans Grand Prix*). 11.50 Film: "Cujo," starring Dee Wallace and Christopher Stone.

BBC2

11.25 am Open University. 1.30 pm Network East. †2.10 Film: "Anna and the King of Siam," starring Irene Dunne and Rex Harrison. 4.15 The Sky At Night: "Jodrell—the Listening Bank." 4.45 Snooker: The Rothmans Grand Prix. 6.15 International Bridge Club. 6.45 Newsview. 7.25 The Fish Course. 7.55 Dance From America: The New York City Ballet in Jerome Robbins' "In Memory Of." 8.45 Fortunes Of War (Part 2 of the 7-part series based on Olivia Manning's novels. 9.45 The Film Club. 9.48 Film: "The Swimmer" (in colour, sepia and black and white; English subtitles). 11.05-12.45 am Film: "Plumbum, or A Dangerous Game" (English subtitles).

LONDON

6.00 am TV-am Breakfast Programme. 9.25 No 73. 11.00 The Roxy. 11.30 Frocks On The Box.. 12.00 The Fall Guy. 1.00 pm News. 1.05 Saint and Greavsie. 1.35 Wrestling. 2.15 Comedy Classic: The Cuckoo Waltz. 2.45 Darts: World Cup VI from Copenhagen. 4.45 Results Service. 5.00 News. 5.05 Walt Disney Presents . . . 5.15 Blockbusters. 5.45 3-2-1. 6.45 Beadle's About. 7.15 Blind Date. 8.00 Home To Roost . . . 8.30 Murder, Mystery, Suspense. 10.10 News and Sport. 10.30 Telly Bloopers followed by LWT News Headlines. 11.30 Hunter. 12.30 am Sledge Hammer! 1.00-3.00 Night Network.

CHANNEL 4

9.30 am Coping. 10.00 4 What It's Worth. 10.30 Scotland's Story. 11.00 Old Country. 11.30 Dancin' Days. 12.00 B/S Group British Speed Chess Championships. 12.30 pm Pottery Ladies. †1.00 "Young Man of Music" starring Kirk Douglas with Lauren Bacall and Doris Day. 3.05 Channel 4 Racing from Doncaster. 5.05 Brookside Omnibus. *6.00 Right to Reply.*

6.30 To The End of The Rhine. 7.00 News Summary followed by Seven Days. 7.30 Bandung File. 8.30 Sports Is A Tough Business. 9.30 A Fine Romance. 10.00 St Elsewhere. 11.00 Saturday Almost Live. 12.00 Baseball: World Series.

S4C WALES

9.30 am Coping. 10.00 What The Papers Say. 10.15 Years Ahead. 11.00 Mavis on Four. 11.30 Two Cheers for Democracy. †12.00 Sea War. 12.30 pm Scotland's Story. †1.00 Feature Film: "The King of Kings." 3.05 Racing from Doncaster. 5.00 Battle for the Planet. 6.00 Right to Reply. 6.30 A Houseful of Plants.

7.00 Tears, Laughter, Fears and Rage. 7.30 Newyddion (World and national news). 7.50 Pentymore '87. 8.20 Noson Lawen. 9.20 Y Maes Chwarae. 10.30 The Golden Girls. 11.00 Saturday Almost Live. 12.00 Baseball (the World Series).

Darren Redmayne who stars in My Family and other animals. BBC 1, Saturday

IBA Regions as London except at the following times:—

ANGLIA

11.30 am Knight Rider. 12.30 pm A.L.F.

BORDER

11.30 am The Groovy Ghoulies. 12.00 UFO. 11.35 pm Easy Street. 12.05 am Starring the Actors (Richard Dreyfuss).

CENTRAL

11.00 am Family Feature Film: "Jack The Giant Killer" starring Kerwin Mathews. 12.45 pm Cartoon Time. 10.30 Kreskin's Quest. 11.30 Prisoner: Cell Block H. 12.25 am Sidney Sheldon's Rage of Angels. 2.20 "Take This Job and Solve It" starring Robert Hays, Art Carney and Barbara Hershey. 3.55 Central News followed by Central Jobfinder.

CHANNEL

11.30 am Streethawk. 12.30 pm Survival of the Fittest. 12.58 Today's Weather.

GRAMPIAN

11.30 am Pick A Number. 12.00 Knight Rider. 12.55 pm Home Cookery Club. 11.30 Curling—Summit-Skins final. 12.25 am Reflections.

GRANADA

11.30 am Saturday Matinee: "For The Love Of Benji" starring Peter Bowles. 2.15 pm Easy Street. 10.30 Crazy Like A Fox. 11.30 Star Movie: Lee *Marvin in* "*The Great Scout and* Cat House Thursday." 11.30 am Police Women. 2.25 America's Top 10.

HTV

11.30 am Knight Rider. 12.00 A.L.F. 12.30 pm America's Top 10. 11.30 Club Rugby (Gloucester v Nottingham. 12.15 am Alfred Hitchcock presents.

HTV Wales—As HTV West except: 11.30-12.15 am Club Rugby (Pontypool v Lanelli).

SCOTTISH

11.30 am America's Top Ten. 12.00 Highway to Heaven. 11.30 Curling Skins (The MGI Summit International). 12.30 am Late Call.

TSW

11.30 am The Greatest American Hero. 12.25 pm Gus Honeybun's Magic Birthdays. 12.30 The South West Week. 5.05 Newsport. 5.10 Blockbusters. 12.25 am Postscript.

TVS

11.30 am Streethawk. 12.30 pm Survival of the Fittest. 12.57 TVS Weather.

TYNE TEES

11.30 am "Fort Worth," starring Randolph Scott. 12.30 am Worlds Beyond. 1.00 Poetry of the People.

ULSTER

11.30 am Feature Film: "For The Love Of Benji," starring Peter Bowles. 1.03 pm Ulster Newstime. 4.55 Sports Results. 5.03 Ulster Newstime. 10.32 Ulster Newstime. 10.35 Magnum. 11.30 Mountbatten — The Last Viceroy. 12.20 am Ulster Newstime.

YORKSHIRE

11.30 am Professor Poopanagle's Steam Zeppelin: The Last Mineral. 10.30 pm Hammer House of Horror. 11.30 The Saturday Late Film: "The File Of The Golden Goose," starring Yul Brynner and Edward Woodward. 1.25 am Meltdown. 2.35 Jobfinder.

Stereo on VHF

BBC RADIO 2

8.05 am David Jacobs. 9.00 Sounds Of The 60s with Frankie Vaughan. 10.00 Michael Aspel. 12.00 Album Time. 1.00 pm Ken Dodd's Palace Of Laughter. 1.30 Sport On 2 including Football; Racing from Doncaster; Rugby League (Great Britain v Papua New Guinea); Tennis (semi-finals of the Brighton Classic); Cricket (World Cup); Boxing. 5.00 Sports Report. 6.00 Brain Of Sport 1987. 6.30 The Seven Ages. 7.00 The Press Gang. 7.30 A Tchaikovsky Gala. 9.30 Big Fight Special (Frank Bruno v Joe Bugner). 10.30 Martin Kelner (joining vhf). 12.05 am Night Owls with Dave Gelly. 1.00 Bill Rennells presents "Nightride." 3.00-4.00 A Little Night Music.

BBC RADIO 3

7.00 am News. 7.05 Morning Concert. 9.00 News. 9.05 Record Review. 10.15 Stereo Release. 11.35 Mozart. 1.00 pm News. 1.05 Early Music Network. 2.05 Mikhail Pletnev (piano) Tchaikovsky (12 Pieces Op 72). 3.00 Amadeus String Quartet. 5.00 Jazz Record Requests. 5.45 Critics' Forum. 6.35 Heinrich Schiff and Roger Vignoles (cello and piano). 7.30 BBC Symphony Orchestra part 1. 8.15 The Seeds of Hatred. 8.35 Concert, part 2. 9.40 The Little Platoon. 10.25 The Music of Alexander Goehr. Imitation of Baudelaire (for chorus), String Quartet No 3 and Deux etudes for orchestra. 11.25 Lachrimae by Dowland. 11.57-12.00 News.

BBC RADIO 4

7.00 am Today. 9.00 News. 9.05 Sport On 4. 9.30 Breakaway. 10.00 News; Loose Ends. 11.00 News; The *Week in Westminster.* 11.30 From Our Own Correspondent. 12.00 Money Box. 12.25 pm The News Quiz (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News; Second Edition. 3.00 News; Play: Errors Of The Past (S). 4.15 The Tapestry Restorer's Tale (S). 4.30 Science Now. 5.00 The Living World.

5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather. 6.00 News; including Sports Round-Up. 6.25 Stop The Week (S). 7.00 Saturday-Night Theatre (S). 8.15 How I Brought the Bad News out of Bratislava. 8.30 Baker's Dozen (S). 9.30 Mary Russell Mitford and "Foscari." 9.50 Ten to Ten (S). 9.59 Weather. 10.00 News. 10.15 The Saturday Feature. 10.45 I've Been Together Now for 70 Years. 11.00 The Phenomenon Squad (S). 11.30 The Million-Pound Radio Show (S). 12.00-12.15 am News.

SUNDAY

† Indicates programmes in black and white

BBC1

8.55 am Play School. 9.15 Articles of Faith. 9.30 This Is The Day. 10.00 Bazaar. 10.30 Discovering Portuguese. 10.55 Telejournal. 11.20 A Vous La France! 11.45 When In Spain. 12.10 pm See Hear. 12.30 Farming: Thirty Years On. 1.00 This Week, Next Week. 2.00 Eastenders. 3.00 Film: "After The Fox." starring Peter Sellers, Britt Ekland and Victor Mature. 4.40 Barney Bear cartoon.

4.50 Motorfair 87. 5.40 Vanity Fair. 6.15 Lifeline. 6.25 News. 6.40 Songs of Praise. 7.15 Ever Decreasing Circles. 7.45 Howards' Way. 8.35 Bread. 9.05 Fortunes of War. 10.10 News. 10.25 Everyman. 11.05 Welcome to My World. 11.35 Network East.

BBC2

9.15 am Now On Two. 9.40 Whirlybirds. 10.05 Odysseus: The Greatest Hero Of Them All. 10.20 The Charlie Brown And Snoopy Show. 10.40 Now It's You. 10.45 Blue Peter Omnibus. 11.30 The Fire-Raiser. 12.00 Windmill. 1.00 pm No Limits. 2.00 Rugby Special. 2.40 Rothmans Grand Prix Snooker Championship and Individual Apparatus Finals in the World Gymnastics Championships. 5.00 Music In Camera. 5.30 Review. 6.30 The Money Programme. 7.15 On The House. 7.50 The Great Philosophers. 8.35 The Natural World: Ticket To The Wild. 9.25 Did You See. . .? 10.10 Snooker (Rothmans Grand Prix final). 12.10-1.00 am World Gymnastics Championships (highlights).

LONDON

6.00 am TV-am Breakfast Programme. 9.25 Wake Up London. 9.35 Sunday At No 73. 10.00 No 73. 10.30 The Adventures Of Black Beauty. 11.00 Morning Worship. 12.00 Weekend World. 1.00 pm LWT News Headlines followed by Police 5. 1.15 Link. 1.30 The Care Bears. 2.00 The Human Factor. 2.30 The Big Match Live: West Ham United v Manchester United. 4.30 Knights of God. 5.00 The Queen's Tour of Canada. 5.30 Sunday Sunday. 6.30 News. 6.40 Highway. 7.15 Bruce Forsyth's Play Your Cards Right. 7.45 Live From The Palladium. 8.45 News. 9.00 The Charmer. 10.00 The New Statesman. 10.30 The South Bank Show. 12.00 LWT News Headlines followed by American Documentary. 12.30 am Mary. 1.00-3.10 Night Network.

CHANNEL 4

9.25 am Movie Mahal. 10.00 Equinox. 11.00 Chips' Comic. 11.30 Worzel Gummidge Down Under. 12.00 The Waltons. 1.00 pm Treasure Hunt. 2.00 Empress Wu (English language version). †2.30 "Objective Burma," starring Errol Flynn. 5.05 Magoo Makes News 5.15 News Summary followed by the Business Programme. 6.00 American Football. 7.15 Black Rhino—The Last Stand. 8.45 Shoah—Experience of the Holocaust. †10.25 "The Winslow Boy" starring Cedric Hardwicke.

S4C WALES

9.00 am Hefoc. 10.00 South Seas Voyage. 11.00 7 Days. 11.30 Worzel Gummidge Down Under. 12.00 The Waltons. 1.00 pm Off The Page. †1.30 Family Portrait. †2.00 Feature Film: "Background," starring Valerie Hobson. 3.30 Denis Healey At Seventy. 4.15 Equinox. 5.15 The Business Programme. 6.00 American Football. 7.20 Newyddion (world and national news). 7.30 Rhaglen Hywel Gwynfryn. 8.10 Pobol Y Cwm. 8.40 Dechrau Canu, Dechrau Canmol. 9.10 Hel Straeon. 9.40 Snwcer.

IBA Regions as London except at the following times:—

ANGLIA

9.25 am Sunday at No. 73 (Speedy and Daffy). 1.00 pm Link. 1.15 Bioscope Bygones. 1.20 Anglia News. 1.25 Weather Trends. 1.30 Farming Diary. 5.30 Whose Baby? 6.00 Bullseye.

BORDER

9.25 am Speedy and Daffy. 1.00 pm Farming Outlook. 1.30 Border News. 1.35 Cartoon Time. 1.45 Link. 2.30 Scotsport: Skol Cup Final. 5.00 Knights of God. 5.30 The Queen in Canada. 6.00 Bullseye.

CENTRAL

9.25 am Speedy and Daffy. 1.00 pm Central Post. 1.10 Central News. 1.15 Link. 1.30 The Royal Tour: The Queen in Canada. 5.00 Highway to Heaven. 6.00 Bullseye. 6.35 Central News. 12.00 Prisoner: Cell Block H. 12.55 am Donahue. †1.55 Thriller Classic: "The Girl In The Picture" starring Donald Houston. 3.10 Central News.

CHANNEL

9.25 am Today's Weather. 9.28 Starting Point. 1.00 pm Link. 1.15 Les Francais Chez-Vous. 1.30 Farm Focus. 5.00 Andrew Lloyd Webber's Requiem for Hungerford. 6.00 The Queen in Canada.

GRAMPIAN

9.25 am Cartoon—"Speedy and Daffy: Rodent To Stardom." 11.00 Horses for Courses. 11.30 The Nature of Things. 1.00 pm Farming Outlook. 1.30 Spacewatch. 1.45 Link. 2.30 Scotsport—"The Skol Cup Final." 5.00 Benson. 5.30 Knights of God. 6.00 Bullseye. 12.00 The Queen's Royal Tour of Canada. 12.30 am Reflections.

GRANADA

9.25 am Cartoon (Speedy and Daffy). 1.00 pm Members Only. 1.05 Action Line. This Is Your Right. 1.35 Aap Kaa Hak. 1.40 Link. 5.30 Bullseye. 6.00 Down To Earth. 12.00 Ray Bradbury Theatre.

HTV

9.25 am Speedy and Daffy. 1.00 pm Farming Wales followed by Weather For Farmers. 1.30 Cartoon Time. 1.45 Link. 5.00 Highway To Heaven. 6.00 Bullseye. 6.35 HTV News. 12.00 The Queen In Canada.

SCOTTISH

9.25 am Sunday at No. 73, including Speedy and Daffy. 11.00 The Glen Michael Cavalcade. 1.00 pm Canadian Documentary. 1.30 The Queen In Canada. 2.00 The Gods of War. 2.30 Scotsport: Skol Cup Final at Hampden Park. 5.00 Easy Street. 5.30 Knights of God. 6.00 Bullseye. 12.00 Late Call.

TSW

9.25 am Look and See. 1.00 pm Tightlines. 1.10 Farming News. 1.45 Link followed by South West Link.. 4.30 Gardens For All. 5.00 Knights of God. 5.30 The Queen In Canada. 6.00 Bullseye. 6.35 TSW News. 12.00 Postscript Postbag.

TVS

9.25 am Sunday at No 73 followed by Speedy and Daffy. 1.00 Link. 1.15 Action! 1.27 TVS Weather. 1.30 Farm Focus. 5.00 Andrew Lloyd Webber—A Requiem for Hungerford. 6.00 The Queen In Canada.

TYNE TEES

9.25 am Hello Sunday. 1.00 Farming Outlook. 1.30 The Smurfs. 1.45 Link. 5.30 Northern Life Sunday Edition. 6.00 Bullseye. 12.00 Epilogue.

ULSTER

9.25 am Cartoon Time Speedy and Daffy. 12.58 pm Ulster Newstime. 1.00 Ask Anne. 1.15 Link. 1.30 Farming Weather. 5.00 Finding Fax Future. 6.00 Bullseye. 6.38 Ulster Newstime. 8.57 Ulster Newstime. 12.00 The Queen in Canada. 12.25 am Sports Results. 12.30 Ulster Newstime.

YORKSHIRE

9.25 am Cartoon Time: Speedy and Daffy. 1.00 pm Cartoon Time. 1.10 Link. 1.25 Farming Diary followed by farming and inshore weather. 5.30 Small Wonder. 6.00 Bullseye. 12.00 Jazz Special (Gary Burton in Concert). 12.30 am Five Minutes. 12.35 Jobfinder.

Stereo on VHF

BBC RADIO 2

7.30 am Roger Royle says "Good Morning Sunday." 9.05 Melodies For You. 11.00 Desmond Carrington with your Radio 2 All-Time Greats. 2.00 pm Benny Green. 3.00 Alan Dell with Sounds Easy. 4.00 Brooks Ashton's Serenade. 4.30 Sing Something Simple. 5.00 Charlie Chester with your Sunday Soapbox. 7.00 The Random Jottings of Hinge and Bracket. 7.30 Ian Wallace Presents. . . . 8.30 Sunday Half-Hour. 9.00 Your Hundred Best Tunes. 10.05 Songs From the Shows. 10.45 Kenneth Lewis at the piano. 11.00 Sounds of Jazz with Tony Russell. 1.00 am Bill Rennells presents Nightride. 3.00-4.00 A Little Night Music.

BBC RADIO 3

7.00 am News. 7.05 Netherlands Wind Ensemble. 8.00 World Service News. 8.10 Schumann Songs and Symphonies. 9.00 News. 9.05 Your Concert Choice. 10.30 Music Weekly. 11.15 Mozart. 12.15 pm Words. 12.20 BBC Scottish Symphony Orchestra. 1.20 Michael Roll (piano). 2.20 From The Festivals 1987: Mozart's "Don Giovanni," sung in Italian at this year's Salzburg Festival in a performance conducted by Karajan with Julia Varady in the title role. 5.30 A Wall Walks Slowly. 6.20 Joseph Silverstein and Peter Serkin (violin and piano). 7.30 Royal Philharmonic Orchestra conducted by Vladimir Ashkenazy, with Barry Douglas (piano), in a concert recorded earlier today: Tchaikovsy (Romeo and Juliet), Prokofiev (Piano Concerto No 3); (8.20 Interval Reading). 8.25 Strauss (also sprach Zarathustra). 9.10 A Most Delightful Art. 9.45 The Representment. 10.00 South Bank Electric Weekend. 11.00 Solo Cantatas by Bach. 11.40 Fernande Kaeser (piano) plays the Variations on a theme by Jean Pierre Duport. 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.10 Sunday Papers. 7.15 On Your Farm. 7.40 Sunday. 8.50 The Week's Good Cause. 8.55 Weather. 9.00 News. 9.10 Sunday Papers. 9.15 Letter From America by Alistair Cooke. 9.30 Morning Service. 10.15 The Archers. 11.15 News Stand. 11.30 Pick of the Week (S). 12.15 pm Desert Island Discs (S). 12.55 Weather. 1.00 The World This Weekend. 1.55 Shipping Forecast. 2.00 Gardeners' Question Time. 2.30 Mr Beluncle by V. S. Pritchett (S). 3.30 The Radio Programme. 4.00 News: Origins. 4.30 The Natural History Programme.

5.00 News: Down Your Way. 5.50 Shipping Forecast. 5.55 Weather. 6.00 News. 6.15 Feedback: Christopher Dunkley follows up your comments about BBC programmes and policies. 6.30 International Assignment. 7.00 News; Soundings (S). 7.30 Castles in Spain (S). 8.00 Bookshelf. 8.30 A Word in Edgeways. 9.00 Alexandra Kollontai—Portrait of a Revolutionary (S). 10.00 News. 10.15 The Little Ship. 11.00 The Root of the Matter. 11.30 Seeds of Faith (S). 12.00-12.15 am News.